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Policy Review

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The Geopolitics of Energy
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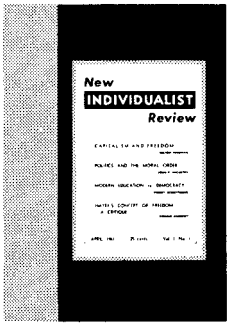

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Controversy

Supply-Side Myths?

Dear Sir:

Carl Christ and Alan Walters ("The Mythology of Tax Cuts," Spring 1981) attempted to dispel the economic myths associated with tax cut policies. Basically, they argued that supply-siders have over-sold the healing powers of marginal tax rate reductions by failing to consider the following effects: High marginal tax rates may have caused individuals to work more, not less, in order to maintain after-tax income; marginal tax rate reductions would only produce a temporary increase in output; a tax cut will reduce government tax revenues; the deficits incurred as a result of the tax cut will lead to crowding out of private investment.

The fact, however, is that all of these points have been carefully considered by Administration economists and found to be deficient. Regarding the first point, several empirical studies have shown that high marginal tax rates do cause a net reduction in work effort. Other research, moreover, has found that the negative incentives resulting from high tax rates have produced substantial economic costs by encouraging people into less productive uses of their time and capital in order to hide income and take advantage of tax shelters.

Second, Messrs. Christ and Walters contend that because the proposed tax cut is a once-and-for-all adjustment, the growth of output would only increase temporarily so that eventually it would return to its previous rate. Even if the growth rate of output would not change in the long run, the point is irrelevant because the level of output would be permanently higher. The higher after-tax rate of return would produce a permanently greater level of saving and investment, which would, in turn, create a larger capital base and permanent level of output than would have been possible without the tax rate reduction. It makes no difference whether the higher rate of growth in output eventually declines to the previous rate, because it will have created a larger and richer economy. A $4 trillion economy growing at 3 percent is better than a $2 trillion economy growing at 3 percent.

As for the relationship between tax rates and saving, important work by Michael Boskin of Stanford University has shown that the rate of saving is highly sensitive to after-tax rates of return. For example, if the after-tax rate of return were increased by one-half, savings would increase by 25 percent. Further, it does not take an enormous increase in the savings rate in order to significantly impact the economy. If the personal savings rate rises from about 5.5 percent to about 7.5 percent, as it did after the Kennedy tax rate reductions, private savings increase by $42 billion annually at current income levels. The increased savings make it possible to finance a deficit without having to print money or experience the "crowding out" of private investment.

The success of the Administration's economic policy does not depend on the tax reductions fully paying for

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themselves with revenue feedbacks. The policy is not based on the "Laffer curve." However, it would be incorrect to say there would be zero revenue feedback. What the Administration does argue is that the combination of increased savings, revenue "reflows" and budget cuts more than pay for the tax cut.

There is overwhelming evidence to indicate that President Reagan's proposed tax cut will lead to increased capital formation instead of the crowding out effect expressed by Messrs. Christ and Walters. The 1964 Kennedy tax cut was accompanied by a rise in both the savings rate and the rate of growth in personal income. By 1967 real personal savings had increased by 161 percent of the total tax reduction.

The expansion in output that resulted could not have been due to Keynesian demand stimulation, because the estimated gap between actual and potential production was very small—only about the size of the tax cut itself. Obviously, such a small gap left little room for expansion based on increased demand and unused capacity. The substantial real growth that followed the tax cut had to be based on something else, a supply side response to the tax rate reduction.

Paul Craig Roberts
Assistant Secretary
for Economic Policy
Department of the
Treasury

Dear Sir:

Messrs. Christ and Walters are right to accept the burden of proof: Where is a single example of a cut in marginal tax rates that did *not* result in stronger real economic expansion? The case of Britain in 1971-72 seems irrelevant, because cuts in excises and increases in personal allowances have little impact at the margin.

Messrs. Christ and Walters turn to the U.S. tax cuts of 1962-65. They claim that there was a fall in the growth of net output per person employed "from 2.4 percent in 1953-64 to 1.5 percent in 1964-69. This implies that the reduction in marginal tax rates was associated with a reduction in the productivity of employed persons." That result, however, depends entirely on the choice of measures and dates.

Using the same source (Denison, p. 27), suppose we look at real national income per hour worked. And instead of starting with a recession (1953) and ending with the 1969 tax surcharge (hardly a supply-side measure), let's start with the year before business taxes were cut and personal tax cuts were proposed—namely 1961. On this basis, productivity grew by 3.5 percent a year from 1961 to 1968, compared with 2.8 percent from 1950 to 1960, or 2.5 percent from 1953 to 1958.

Messrs. Christ and Walters claim that "transitory increases in employment...are largely a consequence of previous accelerations in the rate of growth of the money supply." The employment growth from 1961 to 1969 was scarcely transitory, however, leaving the authors embracing persistent money illusion and a long-run Phillips Curve. Yet the figures below do not indicate that rapid money growth caused faster growth of either employment or productivity. If money could do that, the much faster money growth of 1978-80 should have given us marvelous prosperity.

Growth of nominal GNP (demand) averaged 7.6 percent from 1964 through 1967—a smaller "stimulus to demand" than in any year of the 1970s—and inflation did not exceed 3 percent until 1968.

A supply-side interpretation would

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	Money (M1B)	Employment	Productivity
1963	4.0%	1.6%	3.7%
1964	4.4	2.3	4.3
1965	4.4	2.6	3.5
1966	2.7	2.5	3.1
1967	6.3	2.0	2.2
1968	7.4	2.1	3.3

be that faster money growth slowed real growth by raising marginal tax rates. Far from explaining the 5.4 percent rate of real growth from 1962 through 1966, the acceleration of money in 1967–68 and the tax surcharge of 1969 are what brought the expansion to a halt.

The "serious error" is in the authors' interpretation of Jude Wanniski. Point E on the Laffer Curve represents the optimal blend of tax revenue and private production, just as firms find the profit-maximizing blend of output and price. At a higher price for government services, both private output and government revenue decline. (At some higher price for cars, sales and profits fall). That is, the Laffer Curve is a profit curve, not a revenue curve, and it really relates to specific marginal tax rates, not the total or average tax or spending burden.

As Mr. Wanniski wrote, "if at point E the government lowers the tax rate again, output will increase but revenues will fall." Carl Christ and Alan Walters add nothing to this by saying that "production is seriously inhibited at E," and it requires an anarchist assumption to say that production "is maximized when the tax rate is zero."

No attempt is made to defend the conclusion that any and all "tax cuts in the U.S. will reduce tax revenue," though that issue is not critical to the case for a tax structure that maximizes long-term efficiency and growth. Even if the Christ-Walters assertion were accepted, it would not prove that budget deficit would be larger (growth also reduces government spending), nor that any "crowding out" must offset the beneficial effects, nor that any added deficit in the near-term need be "monetized."

A more serious treatment of these issues can be found in Robert Keleher's review of the evidence on supply-side measures in the April *Review* of the Federal Reserve Bank of Atlanta.

Alan Reynolds, V.P.
The First National
Bank of Chicago

Alan A. Walters and
Carl F. Christ reply:

Our main conclusions, supported by imperfect evidence, were these:

(1) High marginal tax rates often discourage effort and productivity growth. Comparisons across countries give imprecise support to this view: Germany, France, and Japan appear to be success stories while the United Kingdom, Italy, and Sweden do not.

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But the after-effects of two tax-rate cuts, one in the U.K. and one in the U.S., leave the case not proven.

(2) Tax-rate cuts may well stimulate output but will reduce real tax revenue in the U.S. (and in many other countries).

Hence until U.S. economic growth, possibly aided by improved incentives, can increase real tax revenue, there must be either a larger deficit or a parallel cut in real government expenditures.

Mr. Roberts makes several good comments. Our article is in essential agreement with his first two. Regarding his third, he's right that after the 1964–65 U.S. tax-rate cut, the saving ratio (the fraction of disposable income saved) rose, which helped to finance the sum of the deficit plus private investment. But the saving ratio fell to a twenty year low after 1975. In the U.K. it rose in the late 1970s and is now very high. Its behavior isn't fully understood.

We are relieved to hear from an insider that "The success of the Administration's economic policy does not depend on the tax reductions fully paying for themselves with revenue feedbacks." We take this as agreement with our second point, above.

Both Mr. Roberts and Mr. Reynolds object to our statement that the expansion of U.S. output after the 1964–65 tax cut is just as well explained by demand stimulation as by improved work incentives. Mr. Reynolds wants to look at real national income per *hour worked,* instead of per *person employed* as we did, and he wants to leave out 1969. We are agreeable. But he wants to measure the effect of the tax cut by looking at productivity in 1961–68, though the tax cut didn't occur until 1964–65! Let's look at the productivity changes year by year, from the same source, using both measures:

Productivity Growth
(percent)

Year	Per Person Employed	Per Hour Worked
1961–2	4.3	4.2
1962–3	3.1	3.3
1963–4	3.8	4.1
1964–5	3.6	3.5
1965–6	1.8	2.6
1966–7	0.3	1.5
1967–8	2.3	2.9

Both confirm our result, that productivity growth was slower after the tax cut than before. The faster growth of output after the tax cut came from faster growth in persons employed and total hours worked, not in productivity. Mr. Reynolds says his figures don't support the view that monetary expansion caused expansion of employment and productivity. Productivity expansion we did not claim, as noted just above. But the employment expansion could well have been due to demand stimulus (whether of a "Keynesian" type as denied by Mr. Roberts, or a monetary type): the unemployment rate fell temporarily from 5.7 percent in 1963 to 3.5 percent in 1969 but then rose again. This is the result to be expected from a demand stimulus.

Mr. Reynolds thinks the "stimulus to demand" was greater in the 1970s than in 1964–67 because the growth rate of nominal GNP was greater in the 1970s than the 7.6 percent of 1964–67. This is misleading: a stimulus to demand must be judged in comparison with the *previously experienced* rate of growth of nominal GNP. From the end of WWII to 1964 it was less than 6 percent. In 1978–80 it was over 10 percent. If we follow the right policy now, and reduce monetary growth so that nominal

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GNP grows at 8 or 9 percent in 1982, surely Mr. Reynolds will not say that demand stimulus in 1982 is greater than it was in 1964–67.

Does Mr. Reynolds really advocate extracting the *largest possible* tax revenue from the U.S. economy? That is what Mr. Wanniski's point E on the Laffer curve represents.

We believe that this exchange of views will be useful to readers, and that our main points stand.

Ecology Funds

Dear Sir:

We are responding to the article entitled "The Great Ecology Swindle," (Winter 1981) by H. Peter Metzger and Richard A. Westfall. We would like to call to your attention the inaccuracies of the allegations appearing on pages 90–91 regarding the Department of Energy's funding of the Consumer Federation of America (CFA).

Messrs. Metzger and Westfall claim that "In May 1978, the Department of Energy gave CFA more than $85,000—weeks before the consumerist group had even requested the money! CFA was being paid to testify before a DOE hearing, simply to state its opinion." We believe the following history of the contract will provide your readers with additional information proving the lack of substance in the Metzger/Westfall assertions.

The CFA contract (actually with the CFA Energy Policy Task Force, EPTF) provided financial assistance to enable EPTF to represent consumer interests in an evidentiary hearing which the DOE held in August 1978 concerning the prices of No. 2 heating oil. This particular hearing originated when the DOE's Economic Regulatory Administration (ERA) published a Notice in the *Federal Register* announcing that it had adopted a program designed to monitor the prices of No. 2 heating oil during the 1977–78 heating season (43 *Federal Register* 2917, January 20, 1978).

The notice described the nature and function of the August 1978 public hearing as evidentiary to consider the need for further regulatory action based on additional information. The notice also invited non-profit organizations which represent consumer interests to submit applications for financial assistance to facilitate their participation in the hearing. The CFA petition was the only submission received by DOE's Office of Hearings and Appeals (OHA) requesting financial assistance to participate in the hearing.

In a Decision and Order issued on April 27, 1978, OHA provided a full explanation for its approval of the CFA request. The DOE entered into a contract with CFA (DOE Agreement EB-78-A-016455) in order to effectuate the relief approved in its Decision and Order. DOE did not give CFA money before the group requested it, but rather in compliance with terms outlined in the January 20 *Federal Register* notice.

Equally inaccurate is the allegation that CFA was paid "simply to state its opinion." CFA participated fully in the No. 2 heating oil proceeding, which took place during many months of 1978. The work it performed under the contract encompassed preparation of extensive economic data, drafting voluminous written submissions relating to the proceedings, and full participation in the hearings which were held in August and September of that year. As a condition of the contract, CFA was required to submit periodic reports of its activities to the DOE, which were reviewed and approved before disbursements were authorized.

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The authors further claim that "when someone pointed out that DOE had no standards for giving grants... the Department simply gave another $49,500 to CFA to develop the standards by which they, and similar consumerist groups, could receive DOE funds in the future." This specific CFA grant resulted in a Report published in September 1978 entitled "Funding Public Participation in Department of Energy Proceedings." The Report was not precipitated by DOE's lack of standards with respect to its earlier contract with CFA, since OHA had laid out clear standards in the No. 2 home heating oil proceeding. However, since the OHA proceedings had all involved Petitions for Special Redress, the DOE Office of Consumer Affairs (OCA) thought a more comprehensive mechanism might be needed in the newly created Department of Energy. The Report was commissioned to provide DOE with a source of ideas for use in the implementation of Section 102 (15) of the DOE Organization Act (42 U.S.C. 7112) which requires the Department "...to provide for, encourage, and assist public participation in the development of national energy programs...".

Finally, we should point out that there is no substance or support for the claim that subsequent to Congressional restrictions on intervenor funding, such funding continued or that "The Consumer Federation simply changed the name of its grant-taking committee, and was back on the DOE 'payroll' *in a matter of days.*" (emphasis supplied) The author's support for this erroneous claim is contained in footnote #57 which cites an OCA Purchase Order to the Consumer Energy Council of America (CECA) for a "Study on Disposition of Revenues as a Result of Oil Company Overcharges." The Report dated December 4, 1979, is entitled, "An Analysis of the Overcharge Settlements of the Department of Energy's Office of Special Counsel from the Perspective of the Individual Consumer." That Purchase Order is dated June 15, 1979, while OHA's funding of CFA occurred in the Spring of 1978—*over a year earlier and not a matter of days.* In addition, neither this $10,000 Purchase Order, nor any other OCA funds, have ever been used for the funding of intervenors.

Moreover, the Consumer Federation of America/Energy Policy Task Force (CFA/EPTF) did not simply change its name to the Consumer Energy Council of America (CECA). On October 3, 1978, EPTF separated from CFA in order to form CECA, a single purpose, nationally-based consumer organization with a separate Board of Directors. The creation of CECA was based on internal organizational differences and not on the creation of a new name to attract federal funds.

We appreciate your giving us the opportunity to present the foregoing information and your willingness to make this information available to your readers.

Tina C. Hobson
Former Director
Office of Consumer Affairs

H. Peter Metzger and
Richard A. Westfall reply:

Comes now Tina Hobson, her credibility clouded by a recent House Subcommittee investigation of her Office of Consumer Affairs (Subcommittee on Energy Research and Production of the Committee on Science and Technology, U.S. House of Representatives. "The Department of Energy's Public Information Programs: Major Changes Needed,"

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December 1980.) Her clouded reputation is important to our response because it seems that her Department of Energy (DOE) operation under the Carter administration displayed an "unacceptable conflict of interest" and committed a "potentially illegal misuse of its funds." The investigation revealed her diversion of tax dollars to the War Resisters League, the Black Hills (Indian) Alliance and other "groups that are outspokenly opposed to nuclear energy, a practice that is legally questionable."

Ms. Hobson comes now to defend herself, claiming "inaccuracies" in our article, "The Great Ecology Swindle." Her claims are simply self-serving distortions as we will demonstrate:

Did the DOE-funded testimony of a consumerist/intervenor group before a DOE hearing come about as a consequence of a duly posted public notice, or did DOE and the consumerist/intervenors first cut a deal under the table? Ms. Hobson claims a square deal but a letter from those consumerist/intervenors to DOE is in the public record, and reveals otherwise. The letter concerns this very "intervenor funding" and was introduced into evidence by the U.S. Chamber of Commerce in a lawsuit (Civil Action No. 78-1543) against DOE on this matter. The consumerists' letter, dated *a month before* the first public notice claimed by Ms. Hobson, was signed by the president and lawyer for the intervenor group and proves prior collusion by saying, in part: "One vital aspect of the agreement in principle *we reached with your staff* is the proposed rule (*as we redrafted it*) in the question of intervenor funding."

Also, Ms. Hobson objects to our pointing out that this consumerist group changed the name of its grant-taking "task force" to get DOE dollars in order to study itself. The task force did indeed spin-off from its parent consumer group "because the task force has received funding from DOE to study the concept of public funding for consumer groups," according to *The New York Times.* (July 11, 1978).

Possibly the most mendacious claim made by Ms. Hobson is to cite one of our footnotes, claim it contains something it doesn't, and then criticize what she says it now says. Our footnote #57 cites no purchase order, as she claims, but rather a DOE Summary of grants and contracts.

At this writing, Ms. Hobson was fired from her job as director of DOE's Office of Consumer Affairs for the reasons cited in the House Subcommittee investigation, but then rehired only days later, partly on the strength of a letter of support from eleven House Democrats. She does her job "with almost a missionary zeal," her supporters wrote.

We emphatically agree with that assessment, but we regard her "missionary zeal" as a fault, not a virtue, a fault which is probably responsible for her inability to confine her goals to within those limits set by Congress.

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Thoughts and Details on Poverty*

THOMAS SOWELL

When the public is concerned about the alleviation of poverty, they are anxious that children should not go to bed hungry, that families should not live in leaky, rat-infested homes. They are saying that there is some minimum standard of material living which should be enjoyed by all members of the society. The precise level of that standard can be and is debated, but the general goal is quite clear.

The term income distribution, on the other hand, is really a misnomer. Most income—in Communist, capitalist, or any other kind of society—is *earned,* not distributed. It represents payment for services rendered personally or by one's property in the case of private property societies. By contrast, newspapers are distributed. They are produced at one place and distributed to points of sale. But income from the production of newspapers is earned, and those earnings are proportional to the value placed on the output by the purchasers.

As a practical matter it is poverty, not the distribution of income, which concerns the public. Adequate food, clothing and shelter—however defined—is the goal. The public does not care whether plumbers earn more income than dentists or dentists more than plumbers. They do not care whether the middle 20 percent of income earners receive more or less than 20 percent of the national income. Even the poor are unconcerned about redistribution to equalize income. Polls among blacks, for example, find that, by a four-to-one margin, blacks believe that income should vary according to individual productivity.

Problems arise because some individuals (typically intellectuals, politicians, and journalists) are concerned with eliminating what they call "disparities" or "inequities" in the distribution of income, wealth, or economic power. Politically, this group of redistributionists promotes its goals by playing on the public's concern over poverty and its alleviation. Most of the schemes which in-

*This article is adapted from a chapter in the forthcoming *The Limits of Government Regulation,* edited by James F. Gatti (Academic Press, 1981), with the author's and editor's permission.

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volve transfer payments to redistribute income have been sold to the public as a solution to concrete deprivation. Many of these programs began in the Great Depression, when such deprivations were general throughout society. In later periods the poverty of *specific* groups—"minorities," the aged, and residents of depressed regions—served as the rationale for various schemes of *general* redistribution.

General redistribution has also been promoted by attacking the justification for the existing pattern of income payments. However, one must recognize that income distribution is simply a set of retrospective statistics. As such, it represents earlier interactions among individual capabilities, ownership of physical capital, preferences for occupations, and the demand for various outputs of goods and services. Payments which have been made for these outputs have been justified by the individual purchasers. The grand totals have not been justified by anyone. It is not at all clear that some third party exists who has the omniscience needed to pass judgment on that pattern.

Status *vs* Behavior

If the prevailing distribution is to be replaced, one must offer some basis for rewards other than the demand for one's output. There is a tendency among redistributionists to attempt to base rewards—indeed to base decisions in general—upon status, rather than behavior. In the specific case of income distribution, it is argued that the recipients of these various transfers have a status, an equal status, which should determine their income. That is, they have an equal status as citizens, or as human beings, which requires their income to be established at either a so-called "decent minimum" or some equal share of national income. The specific level depends upon the advocate's place on the political spectrum.

This line of argument puts great emphasis on an *equal* status. The more fundamental question is whether decisions ought to be based upon *any* status. That is, the question is not whether there shall be equality of status, but whether any status-based decision should supersede decisions based upon behavior. If decisions are based upon status (and it does not matter for this purpose, whether that status is equality, superiority, or inferiority), then some small group of people must decide what that status is and then confer that status upon or deny it to millions of other human beings. This involves the concentration of substantial political power.

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The concentration of power occurs regardless of public support for the particular status relationship. For instance, consider a society in which racism is very widespread, such as the Republic of South Africa today or the South in nineteenth century America. In these societies there is (was) a solid consensus that race should play a major role in all decisions—salary, criminal punishment, ability to travel, voting, occupation, etc. Yet even with this consensus, the white population enjoyed markedly less personal freedom than their contemporaries in less racist societies. It is not coincidental that the whites in the Republic of South Africa today are less free than the white population in most of the countries of Western Europe. It is impossible to carry out status-based decisions without superseding the judgments of the individual, thus reducing the individual's freedom.

One could write a very large book on all the mechanisms required in the Old South to maintain the racial system, even under slavery. There were generally accepted notions about how slaves ought to be treated. Yet because various individuals were profit maximizers, and sometimes found these notions in conflict with their best interests, they continually violated the rules. As a result, the government continually passed laws, particularly in the cities, which prescribed the proper treatment of slaves—usually condemning the leniency of some profit-maximizing slave owners. One of the fascinating things about the laws in the antebellum Southern cities is how often the same law got passed again and again in the same city. This suggests that the original law was violated so pervasively that people weren't even aware that it was on the books.

Given the diversity of human beings and the diversity of their performances, and given the diversity of other human beings' perceptions of performance, there is *no* status which can be universally and voluntarily accepted in *any* form of society. To say that you favor status-based decisions is to say that you favor forcibly imposing a given status.

Even when we turn to decisions based on behavior, conflicts can arise. Behavior can be assessed either by results or by some estimate of effort. Very often, one hears the argument that this group or that group is losing out, that they deserve better. For example, the argument has been made recently that the Chrysler Corporation is now in deep financial trouble through no fault of its own. Of course people who are heartless, like economists, would argue "who *cares* whether it was any fault of their own?"

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If you are going to judge fault and merit, then you risk freezing the existing set of conditions, whatever they may be. If you are going to reallocate resources as the society's tastes change, or as new methods of organization become possible, then at some stage you are going to have to move people into new places where they are more productive. That is done by paying less to people who do the exact same amount of work, take the same risks, and have the same diligence. If you are going to reward them for merit, you will give them absolutely no incentive to move out of obsolete industries and into industries producing new products in response to higher demand.

Even individual output is not an unambiguous measure of "worth." The number of home runs hit by Babe Ruth was not purely a matter of his individual performance. If you look at his record, you will find that in some years before he hit the 60 home runs, he had higher batting averages, higher slugging averages, and hit home runs with greater frequency than he did in 1927. Why then did he hit the 60 home runs in 1927? Because batting after him in 1927 was a young man named Lou Gehrig, who batted .373 with 47 home runs and 175 runs batted in. The situation facing the pitcher was either to pitch to Ruth with x number of men on base or to Gehrig with $x + 1$ men on base. Many pitchers decided they would just as soon pitch to Ruth. In fact, when you find sluggers who run up very high totals of home runs—Ruth, Aaron, Maris—they always did so batting ahead of someone else who was just about equally dangerous as a hitter. Aaron batted ahead of Eddie Mathews (who once hit 47 home runs, for those for whom Eddie Mathews is ancient history). Roger Maris received very few bases on balls the year he hit 61 home runs. He was batting ahead of Mickey Mantle, who hit home runs with greater frequency, but who just did not have as many times at bat. There was absolutely nothing to be gained by walking Maris to pitch to Mantle.

Thus even in things that are individual in nature, performances are conditioned by a whole set of circumstances over which the individual has no control. It is sad that both the political Left and the political Right have seized upon the notion of merit either as justifying income or as what ought to justify income. On the Right there are people like John Bates Clark, who developed marginal productivity theory, arguing that because people were paid their marginal product, therefore they were being rewarded for their merit. But of course, their marginal products depended

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upon all the other cooperating factors with which they were working. It depended upon the way they themselves were raised, upon the whole capital of the country in which they happen to have been born. Had you been born 100 years earlier or in some other part of the world, your income could be a half or a tenth of what it is right now, independently of your personal merit. On the Left of course you have the utopian ". . . to each according to his needs." The state of Soviet agriculture is mute testimony to the bankruptcy of that approach.

Poverty: Its Meaning and Measurement

None of this, of course, is to assert that poverty does not exist as a problem with which society should be concerned. Poverty and the distribution of income are distinct concepts. However, there are problems with the different meanings of poverty. A basic conception of poverty is the existence of people who remain below some given living standard over some substantial period of time. One might argue whether the standard should be cash income only, or whether in-kind transfers should be included. One might also modify this by raising the question as to whether poverty should be looked at retrospectively or prospectively. Retrospectively, we can consider how much income someone earned over a given period. And yet, people may have very good prospects and choose not to exercise them. One can be a beach bum with a graduate degree, as is in fact not all that uncommon in California. Shall we say that the beach bum is poor because—looking back over some period of time—his income was low? His income might be lower than that of, say, an unskilled factory worker. Would we say that he is poorer than the factory worker in any meaningful sense of the word, when at any given time he may exercise his options and earn a greater income?

The question is to find the right and proper definition of poverty. The more fundamental point is this: whatever meaning we give to poverty, that meaning is frozen into statistics; it is also frozen into our laws governing the benefits due the poor. Once we have committed ourselves to a legal definition, this is what poverty means, regardless of how ludicrous the results may be. We should distinguish the poor, as we conceive of them, from the poor as they appear in our statistics and in our laws. With a sufficiently narrow definition of income, the statistical "poor" might include, for example, a Kennedy or a Rockefeller who happened not to be work-

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ing this year. (One of the advantages of having wealth is that you do not have to work, or work as hard, or seek out jobs that pay you the highest income.) Students who graduate by the millions each June only earn half as much that year as they would normally earn. Therefore, their income may fall into the poverty level, even though they are not poor in any meaningful sense.

A more fundamental problem is that people typically, over their lifetimes, earn different amounts of income at different stages. When they start out they usually earn very little, because they have very little to offer an employer. As they acquire more skills and experience, as employers know more about them, and workers know more about how to look for and perform on a job, then of course their incomes tend to rise. Statistical "income distribution" data freeze all these people at different phases of their lifecycle at one moment.

Age bracket differences are very substantial. They are greater than black/white differences in income. Families headed by people in their mid-forties to mid-fifties earn income greater than the income of the family headed by someone 25 and under—by a greater amount than white incomes exceed black incomes. Two-thirds of all the top wealth holders of the nation are over 50 years of age. We conceive of this top one percent or five percent of wealth holders as the Gettys, Hunts, and Rockefellers. They are much more likely to be elderly home owners who have finally paid off their mortgages. (Outright ownership of the average home would be sufficient to put you in the top one or two percent of wealth holders in the United States. The Hunts and Rockefellers are indeed in there, but they are an insignificant part of the total.) The very same people, of course, can be in different quartiles of the income distribution in different parts of their lives. The person who pays off his mortgage when he is over 50 may be in the top quarter of income earners then, even though he was in the bottom quarter when he was 20.

It is very different to be concerned about the fact that there are people who are poor throughout their lifetime than to be concerned over the fact that young people do not yet earn as much as their parents or their grandparents. If you are thinking about setting up programs to help the poor as defined by the bottom x percent of the income distribution, think again. You really don't need a federal program to help young people become parents and grandparents. They have been doing it for quite some time, without any help from Washington.

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The Source of Poverty

The fact that gross statistical measures of poverty overstate the problem does not, of course, mean that the problem is not worthy of our attention. Yet it is difficult to make sense of the notion of the "causes" of poverty. Poverty is simply the absence of wealth. Poverty has been prevalent through most of the world's history. Even countries that are now rich were once poor, typically not too far back in history. Yet the discussion goes on as if there were some predestined prosperity, which is somehow thwarted by some intervening factors which we must discover and correct.

At this point it is useful to distinguish between moral explanations and causal explanations. There is no *a priori* reason why something that is a very important moral factor need be an important casual factor, or vice versa. Nevertheless, this is a recurrent presumption in many studies and conclusions. There are many morally very important factors—slavery or discrimination, for example—which many people presume are important causally in explaining poverty and various other kinds of intergroup differences today. Conversely, there are many other important causal factors which have no moral content, and which are thus ignored. As noted previously, age is a major factor in explaining intergroup differences in wealth, yet most people are unaware of the degree to which groups differ in age. The average age of Jews in the United States is 46, of Polish-Americans 40, Irish-Americans 36, Japanese-Americans 32, Chinese 28, Blacks 22, Mexican-Americans 18, Puerto Ricans 18. These are not negligible differences.

In the area of race, there are many heavily moral factors which are assumed to be important causal explanations of poverty. And yet, very little effort has been made actually to test whether that is so or not. For instance, in the United States there are not only native black Americans, but also black Americans of West Indian ancestry who (certainly after a generation or so) cannot be distinguished by most whites or, for the matter, by most blacks. But although blacks in general have an income that is only 62 percent of that of whites, West Indian blacks living in the United States have an income that is 94 percent of that of whites.

Some people have argued that this discrepancy is due to difference in treatment. We can test that by examining second-generation West Indians. If white employers, for example, are distinguishing between two groups of blacks by accent, by birthplace, or by where they went to school, then we want to consider only those West Indians who were born here, who went to school here, and

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who have either no accent or less of an accent. If in fact it has become more difficult in the second generation to tell the two groups apart, one should not find the second generation exhibiting the same kind of success as the first. In reality, the second generation of West Indians have *higher* incomes than Anglo Saxons, and a higher percentage of people in the professions. If it is argued that a moral factor such as past slavery causes current black/white differentials in performance, then the differential should be even greater in the case of West Indians, whose experience under slavery was even worse than that of blacks in the United States.

In the area of sex differences, there is also a whole moral vision with which most readers are probably already familiar. It holds that male/female differences are the result of discrimination; that in recent times this has been fought and to some extent has been overcome. History is completely counter to that argument. The proportions of female Ph.D's, M.D.'s, lawyers, chemists, or economists, was much higher decades ago than it was in 1960. In 1905, the proportion of females in *Who's Who* was higher than it was in 1950. None of this fits the assumed pattern of discrimination. It is hard to believe that there has been increasing discrimination over those decades, which led to the situation in 1960.

The factors that are very highly correlated with the change in male/female differences are demographic shifts. The age at marriage of college-educated women was constantly declining between 1905 and 1960. The number of children born per white woman was increasing during that same period. The decline in the representation of women in the high level occupations seems to have occurred across a broad front, unaffected by male employers. It happened at women's colleges, run by women deans, women department chairmen, and women presidents. (There was one noteworthy anguished letter in a Mount Holyoke alumni magazine, by a woman who came back for her 25th reunion. She recalled that when she was a student all the full professors and department chairmen were women. Now she finds that they are all men, even though the president of the college is still a woman. How can this be?) It occurred simply because the supply of women in those occupations declined relative to the supply of men, and that was true no matter whether the employer was male or female.

There are other, better indices. For example, in the case of women, the really crucial variable is whether or not they were ever married. If you were to look at female Ph.D's who received their degree in the 1930s and 40s, and calculate the percentage of

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them who became full professors by the 1950s, you would find that women who never married became full professors more regularly than men over the same span of time. It is the women who married who met disaster. In most of the data, the real difference is not between men and women; it is between married women and all other persons. The married women tend to perform much less well than single women, particularly in high level occupations which require continuous work and a great number of hours—occupations where you cannot go home and take care of your family very readily. With men, the situation is just the opposite. It is the married man who outperforms the single man. There is nothing terribly mysterious or sinister about it, particularly for anyone who has ever been married.

The issue of male/female employment patterns is a classic problem which exists in the mind of intellectuals—more so than in the real world. What is described as the married man's income is in fact the income of two people; it is made possible by the joint activities of two people, and all the studies indicate that it is jointly spent, somewhat more than half by women. The problem has been resolved in the real world. It is in the world of theory that it has not been resolved, because it is the man whose name appears on the check, and the statistics recognize only him.

Usual Solutions to the Problem of Poverty

Along with the "causes" of poverty there are many cures which, again, reflect the moral emphasis—and some self-interest as well. One finds education offered as a panacea—by educators. When the Campbell Soup Company tells us how great it is to have soup for lunch, we tend to take that with a grain of salt. Yet when educators tell us the very same thing about their product, we seem to think that they are public-spirited citizens trying nobly to solve our social problems.

Thus a whole legend has grown up around the history of the Jewish immigrants who came here poor and rose to affluence, supposedly through education. Now of course high income groups do tend to have high levels of education. They also tend to engage in high levels of travel and entertainment, and own large homes. Yet no one would argue that travel, entertainment, or housing is the path one takes from poverty to affluence. A detailed study of the occupations of Jewish immigrants showed that they rose to affluence *first,* and *then* were able to afford to send their children to college. This is even more clear in the case of the Japanese immi-

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grants on the west coast. Most of the Japanese were farmers as late as 1940, and most of them spoke very little English. But they were prosperous nonetheless. They owned many businesses, in California and the state of Washington. With this prosperity, they were able to send their children on to college, and then their children became better educated. The education was not the cause of the rise.

Another cure for poverty is political reform. If you read many histories and hear many discussions of social issues, you get the idea that people are no longer in rags or hungry today because various noble reformers refused to accept such conditions and worked to alleviate them. Meanwhile, it was merely coincidental that the gross national product rose by 5 or 6 times over that same span. But if you really want to know why it is that the poor of the nineteenth century were in rags and those of the twentieth century typically are not, it is because a man named Singer perfected the sewing machine, putting factory-made clothing within the reach of great masses of people for the first time in history. Prior to that time, either homemade or secondhand clothing was the standard dress for most working class people. (In addition to clothing the working class, secondhand garments also spread diseases throughout the whole society as they were passed around.) Most working-class people in the nineteenth century could not afford the luxury of having shoes that were made differently for the right foot than for the left foot, until Singer made that economically feasible. In most parts of the world outside of the United States, working people could not afford shoes at all. In addition to Singer, there was something called the sweat shop on the lower East Side of New York that made that possible.

The fallacy of political reform as a solution to perceived social ills is that it ignores process and focuses only on results. The most fundamental problem in political decision-making is that we cannot vote for a result; we can only vote for a process. We can *hope* for the result from that process. Some 50 to 60 years ago, prohibitionists felt that they were voting for a process which, they hoped, would eliminate the drinking of alcoholic beverages. They discovered the hard way, of course, that no such thing was possible. All sorts of other consequences resulted, including a tremendous increase in organized crime, under whose influence we are still suffering. You cannot make political processes and market processes parallel by saying, "We vote with our dollars for this; why can't we vote with our ballots for that?" When we vote with our dollars, we

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vote for results. We go into a showroom, and we look at the Chevy or Plymouth and decide whether we want to have it. We do not vote for the process by which it was produced, because we do not know, and we are not required to know, what that process was. When we vote in politics we vote for a process, with *hope* that the end result of that process will be the things we want to have. If the market mechanism has failed to produce the "optimal" result, it is by no means clear that political processes will succeed in its stead. Unfortunately it is usually a very short step from saying that the economic process will not decide an issue correctly to saying that the political process will. But, of course, the fact that you have proven that a fish cannot fly does not prove that a rhinoceros can.

What Can Be Done

In coping with poverty today, the most productive thing the government could do to help would be to stop making things worse. Unfortunately, such things as the dramatic increases in the minimum wage in the post-World War II era are steps in the wrong direction. Black teenage unemployment in the 1970s is at least five times what it was as of around 1950. The argument is often made (again, the preference for the moralistic argument) that this increase is purely the result of racism. But it is hard to believe that there was only one-fifth as much racism in 1950 as there was in 1970. If you look at the unemployment rate among blacks by age bracket, you find a very steep decline from the teenage years to about the mid to late 20's. These young people do not change color as they get older; they merely acquire more experience, and that brings down the unemployment rate. Blacks aged 25 to 45 have historically always had lower unemployment rates than whites under 25.

Improving the lot of the poor means enabling them to move up the ladder, but they have to get on the ladder before they can move up. The minimum wage law prevents that. The law says that if a person is valuable enough for the employer to pay $3.10 an hour, then he can be employed. If not, we deny him the right to work. We simply price him out of the market. There is a whole line of argument that says that people would only get "dead-end jobs" if there were no minimum wage legislation. But, of course, this is a misconception of the whole role of jobs, and particularly of early jobs in one's career. What the worker learns on those jobs is how to get along on a job, with employers, with fellow workers.

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He learns that he should not come to work with his portable radio blaring at top volume. But he cannot learn that, if he is prevented from working at a wage commensurate with his limited productivity.

Sometimes the argument is made that government should be the employer of last resort. That poses a major problem. If the government is going to impose the same standards that the private employer imposes, then the same people who are unemployed in the private market are going to be unemployable by the government. But government programs will "succeed," we may be sure of that. Therefore, there will be people employed in those programs, and if standards must change, so that people can be employed, then standards will be changed. Of course, what young workers will learn then is something completely counterproductive. They will learn that their behavior has much less effect upon their future than in fact it does. This extends into the job market the same kind of automatic promotion policies that exist in the school system; people are promoted not because of their performance, but because it is time to promote them. Such a system simply warps the novice worker's perception of the private labor market, and it certainly does not aid in developing those attitudes necessary for success on the job.

Justice and Fairness

Our concern with moral factors, and flirtation with status-based decisions enforced by government, results from a deep-seated desire for a just society. Unfortunately, much of the discussion of justice proceeds as if we were God on judgment day. One of the small differences between intellectuals and God on judgment day is that God does not have to worry about what is going to happen the day *after* judgment day. We do. Our decisions have to be made in light of the fact that we must live with their consequences.

Let us imagine someone who has an ill-gotten fortune. We will assume he has acquired it by some method which was not technically illegal but which was clearly immoral. Some time in the past his ancestors landed on an island, murdered all the Indians, and took over. The island, which became a valuable property, has now come down through the family; it is legally his. We might talk about confiscating that fortune because of its immoral origin. But we have to think also what prospective results will come about from doing this. Clearly if we're going to step in and confiscate property—not because of any illegality, but simply because of

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moral judgments on its history—then all property is subjected to great uncertainty, and declines in value immediately. The present value of anything includes its future value, and that in turn is affected by the risk that it will be lost, partially or completely. Thus if you attempt the "just" solution, you will have confiscated part of the property of people who have worked for decades to have homes for their families. More important, you will have created an incentive for people to keep their wealth in forms that the government will find hard to get: to keep it in gold and silver and Swiss bank accounts instead of in factories and mines and other productive investments. The people most dramatically affected by all this would be people employed in the factories and the mines. The damage to them may have an economic value far exceeding that of the ill-gotten fortune.

Another example might be the existence of monarchy. You could, for example, ask what has someone done to be king, to have that kind of wealth and power. He may have done nothing. He *probably* has done nothing. But the more fundamental issue is: what are the costs and benefits of monarchy for the society at large, as compared to alternatives that are realistic for that society at the time and place where the decision is being made? That may be infinitely more important than whether this person who happens by accident of birth to be king gets a huge windfall gain or not. There are high social costs of trying to eliminate windfall gains.

Preoccupation with absolute justice often involves ignoring the future consequences of action on people not considered in the original concern over justice. Adam Smith and John Rawls each say that justice is the paramount virtue of society, but they mean very different things. Adam Smith's argument is that without *some* justice in the society, the society cannot survive. There cannot be a society without some predictability, and that predictability must be based upon some principle. John Rawls makes the very different argument that every increment of justice is categorically more important than any increment of any other benefit.

It is very hard to see why one would be concerned about justice unless there is some value to the objects of that justice. No one is likely to get worked up over the fact that, when we leave the beach, we each go home with different numbers of grains of sand in our hair; because we do not put any value on those grains of sand. There has to be some *prior* concern about the things that we are justly distributing or unjustly distributing. If A and B both

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have value, then it is hard to justify the statement that *every* increment of B is more valuable than *every* increment of A. Yet time after time we take actions aimed at securing a bit more justice, with virtually no thought to the costs of doing so. Once we admit that there are *costs* to justice, it is by no means clear that every increment of justice is desirable. Someone must pay those costs, and that undefined someone is no less important than those we have explicitly categorized and set at the center of our discussion.

An example of that sort of situation can be found in our experiences with "affirmative action." One of the tragedies about affirmative action is that there is very little empirical evidence of any benefits to blacks or women out of affirmative action. Further there is reason to believe that it may be counterproductive. The equal opportunity laws (which were superseded by affirmative action) simply provided penalties for discrimination. The employer could avoid all penalties if he did not discriminate, and incur penalties if he did. It was a very straightforward incentive system. Affirmative action says something very different. Under affirmative action there are two sets of incentives created with respect to hiring and firing minorities.[1] The first incentive encourages hiring from these groups, because employers will get the government off their back immediately by doing so. But down the road, they are buying more trouble, because if the subsequent pay and promotion pattern of people hired from those groups do not meet the expectations of the government, then employers are incurring a very large legal cost—regardless of whether they discriminate or not.

As a case in point, consider the academic world. Here you have an up-or-out system of promotion. A junior faculty member has to be either promoted or fired after a certain period of time. He cannot just be continued in that same job. Under these circumstances, affirmative action increases the demand for those members of minority groups who have a proven track record, so that they will not be let go at the end of three or four years. This is particularly true of the large research universities, where it is common for a very large majority of all assistant professors to be let go

1. Incidentally, the phrase "minorities" is to be taken with a considerable grain of salt. All the groups that are included for preferential treatment under affirmative action, taken together, add up to two-thirds of the American population. So what affirmative action means in this context is that the government authorizes discrimination against 1/3 of the population—and if you are a government contractor, it requires it.

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at the end of their contract, and certainly not kept on for tenure positions.

Enter affirmative action. Will the university now hire a woman who is fresh out of graduate school, with a 9 out of 10 chance that it is going to fire her in 3 years, opening itself for legal liability which could cost hundreds of thousands of dollars if she chooses to file a lawsuit? Affirmative action has created an incentive *not* to hire from these various groups. In the process, it has provided some benefits to those minority individuals who have top degrees and a long list of publications. But they would have been doing all right anyway. Those who are just coming out of the graduate school untested (and given the history of minorities, these will be the great majority of the people in the group), have been made less attractive risks. "Justice" has had a high cost to the intended beneficiaries, as well as to the larger society. Perhaps observers will be psychically benefited, by feeling that they are promoting a more just world. But is increasing the psychic income of third parties the real purpose of income redistribution?

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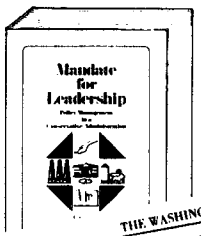

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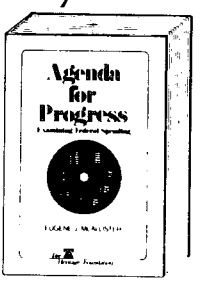

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French Elections Surprise

Everyone knew it would be tough. The odds were for a very tight election. But nobody expected such a clear cut victory for the Socialist candidate, Francois Mitterand, over the outgoing Conservative President, Valery Giscard d'Estaing. The tally came as a complete surprise: 52 percent of the votes for Mitterand, 48 percent for Giscard d'Estaing, a victory by a million-vote margin, while in the 1974 elections Giscard had won by a mere 400,000 difference. On May 25, Francois Mitterand will officially become the twenty-first president of the French Republic. An historical event by any means: it will be the first time ever that a Socialist enters the Elysée Palace; it is also the end of twenty-three years of Gaullist rule in France.

At age 65, Francois Mitterand is not a newcomer in French politics. Quite the opposite. He held his first cabinet position at 31, when Socialist Premier Paul Ramadier selected him for the Ministry of War Pensions (that was in 1947, in the last postwar cabinet that included a number of communist ministers). Then he appeared in most of the short-lived coalition cabinets of the IVth Republic. He was the Home Secretary of Pierre Mendes-France in 1954–55 (when the Algerian revolt flares up), and Guy Mollet's Chancellor (1955–56). He owed his good political fortune to the strategic central position of his small party, which make him a necessary partner in any successful ministerial coalition. In 1958, de Gaulle's comeback deprived him of his hopes for becoming the youngest Premier in French history. He even lost his Parliament seat when, in November 1958, the French elected the First National Assembly of the Vth Republic.

Francois Mitterand does not recognize the legitimacy of the new French Institutions (that he is now supposed to defend). For him, Gaullism is no more than a form of modern conservative despotism. Even in 1965, when he challenged de Gaulle's reelection, he still ran on a platform calling for a return to a IVth Republic Parliamentary Regime. However, his personal score, the highest among all of de Gaulle's challengers, made him appear as the natural leader of the new opposition to the Vth Republic. Then

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began a period dedicated to the reconstruction of a powerful Left force, able to challenge the power of the Gaullist and conservative majority. Turning his back on the Social-Democrat and Center-Left tradition of the old SMSFIO (the French Section of the International Socialist Movement), his aim was the *Union de Gauche*: A political coalition including the communists, but where the newly formed *Parti Socialist* would be strong enough to hold the effective leadership. As a witness to this evolution, his own vocabulary became more and more openly Marxist and revolutionary. The internal balance of power within the Socialist party itself slowly shifted to the more radical Leftists led by Andre Chevenement, to whom Francois Mitterand finally owes his 1979 appointment as *Premier Secretaire*, and his nomination for the 1981 presidential race.

In 1974, Mitterand ran against Giscard on a program calling for a radical change of society. In 1978, the Socialists and Communists—*Union de la Gauche*—asked for the nationalization of the nine leading industrial French groups, and that of the whole credit and banking system, but was defeated. In 1981 (the *Union de la Gauche* officially died in 1978, a few weeks before the polls), Francois Mitterand was elected with the full support of communist votes, and that of a number of Gaullists who voted for Chirac on the primary round. After fifteen years of effort and long patience, his third effort had paid off.

Two days after the elections, the event is still a shock for a large number of French. Could we imagine it: the country run by a man whose party, in its 1979 national platform (*Le Projet Socialiste*), openly called for a "radical rupture with the Capitalist and free market dominant philosophy," a party that not only plans an overwhelming extension of state ownership, but also officially favors "a larger collectivization of our styles," and clearly aims at introducing into French industry a Yugoslav-type of self-management organization (*l'Autogestion*). How did it happen? Will Francois Mitterand, and the new government he will appoint, follow the revolutionary platform of *L'Union de la Gauche*? Is it really the end of the liberalization efforts that Premier Raymond Barre sustained for the last four years, and that made many people think that at last France had exorcized its old Colbertist evils of central economic controls?

It would be a mistake, I think, to believe that by electing Francois Mitterand French voters deliberately chose to put their country on a new path leading to total socialization of the society. Giscard has been defeated more because people voted against

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him, than because people wanted Mitterand and the Left. Giscard's defeat may be explained mainly by three factors:

(1) The economic situation. Giscard and his advisors were confident he would be re-elected without any difficulty. It was only a few weeks before the election dateline that they realized things might be less easy. Accordingly, the fiscal and monetary policy remained tight, though the economy already had experienced a sharp slowdown. This was good economics but poor political timing. For once, the political cycle in France did not conform to public choice rationality. The French voters went to the polls as unemployment reached all-time highs (1,600,000 unemployed), making it easy for Giscard's challengers to capitalize on his "economic failures."(While, indeed, the French economy has responded better to the second oil price shock than most other European nations.)

(2) Giscard's monarchical attitude aroused much antipathy. His apparent simplicity always looked unnatural. His presidential style was one of too-great aloofness and slight contempt. People resented that from a president who did not share Charles de Gaulle's charismatic virtues. It deprived him of many votes that usually went to the Right. His personal dispute with his former Prime Minister, Jacques Chirac, made things worse. Many hard Gaullists preferred the risks of a Socialist president to a second Giscard seven-year term. Giscard d'Estaing has been defeated more than anything by the divisions and rivalries that plagued his own Parliamentary majority.

(3) Giscard's campaign had been very poorly managed, while his rival succeeded in acquiring a presidential stature. While keeping to the main items of the "*Projet Socialiste*," Francois Mitterand was skillful enough to make people forget about its revolutionary overtones. Unlike the 1974 and 1978 campaigns, he played cool on the "*Changement De Societe*," shifting the emphasis to pure economic issues. Though undefendable on technical grounds, and doomed to fail if implemented, his economic scheme for fighting unemployment and the industrial crisis helped him to build up the new image of a responsible Social-Democrat leader sufficiently for Center-Left citizens. And he was efficiently helped in this task by Georges Marchais, the Communist leader who cunningly enough lost an opportunity to denounce his "Fatal High King Leanings" and kept warning against a future Socialist treason to the working class interests.

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Now the issue is to know which face of the new president will dominate in coming months: Will it be Francois Mitterand, the leader of a radical Left which houses a strong Marxist and doctrinaire movement calling for sweeping "anti-capitalist structural changes"? Or will it be the pragmatic politician and skillful tactician that the French media depict in their after-elections columns? I think it would be wrong to picture the new French president as a die-hard doctrinaire. Francois Mitterand remains heir to the IVth Republic. He truly hates the Communists. He is not just another Allende, being too wise and practical for the risks of a full-range French Socialist experiment.

However, the answer mostly depends on what will happen in the June general elections following Mitterand's decision to dissolve the present Parliament. Two things may happen.

The first possibility is a victory of the Left Coalition, with the Communist party back to its usual 20 percent share of the national vote. One may imagine Mitterand appointing a new Prime Minister who belongs to the moderate and Social-Democratic part of his electorate—for example, a good technician whose aim would be to apply his electoral pledges only progressively. But that situation would be very unstable. The pressure of the Communist-affiliated trade unions and of the most radical Leftist movements would rapidly lead to full implementation of the old *Programme Commun* that would rush France into a very serious political crisis. Within one year to eighteen months, France would be bankrupt, forced to retreat from the Common Market. A Chilean type of revolutionary momentum might develop, with all its dreadful consequences.

The second possibility is the return of the former conservative majority, or a narrow victory of the Left that would force the Socialist government to look for some kind of Parliamentary support from the heterogeneous ranks of the Conservative side. France would then revert to a type of IVth-Republic political life with very unstable coalitions and short-lived governments. And the most likely outcome would then be a slow process of economic deterioration leading to more and more unemployment, higher inflation, less industrial competitiveness, and greater balance-of-payments problems. All the tremendous economic achievements of the Vth Republic would be progressively dissipated.

The first scenario is not the most likely. But in any case the recent vote means that France is entering a new period of high

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political and economic uncertainty that might, unfortunately, last a number of years. It is a period that French libertarians should use to reinforce their efforts to change the statist ideology and culture which is responsible for these unfortunate events. Being in the opposition, they will be freer to act. They will no longer have the dilemma of supporting a liberal government whose empirical actions conflict with its ideological credo. They will be in a better position to capture the mounting revolt against welfare statism and omnipotent government.

Henri Lepage

A Traditional Coup

On February 23, 1981 an astonished world witnessed the staging of a *coup* in the Spanish Congress of Deputies. I mean witnessed in the literal sense of the word, since the whole drama was filmed, unbeknownst to the actors.

A mustached officer of the civil guard, the paramilitary police force in the funny hats, Colonel Tejero, held up the cabinet and the Deputies for more than eighteen hours with the help of a posse of policemen, and finally gave up when it became clear that King Juan Carlos I upheld the constitution.

Spaniards were surprised but not astounded. What was happening in the ornate nineteenth-century chamber gave them a sense of *deja vu*. This was certainly not the first time that a body of men in uniform had tried to upset a Spanish constitution—not even the first time such an event had taken place in that very chamber.

Spain, indeed, has had many constitutional charters before that of 1978, which re-established democracy following thirty-six years of autocratic government under General Franco. She has also suffered a great number of attempts to change the constitutional order by force, be it in favor of greater freedom or with the aim of silencing the voice of the people. The very list of these attempts, whether successful or not, makes it clear that the recent *coup* was really a set piece, staged in obedience to understood conventions, and, in a perverse way, a part of the constitutional tradition of Spain.

The first Spanish constitution was proclaimed in Cadiz in 1812, by the Patriots when Napoleon was besieging Spain's southernmost city. Two years later, in 1814, the Bourbon King Ferdinand

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VII abrogated it, and troops dissolved the assembly. A new constitution was proclaimed in 1822, and in 1823 Ferdinand VII abrogated that with the help of a French army. So here we have the first example of a Spanish King who uses force or abets it against a constitutional order—the very contrary attitude to that of his Bourbon descendant, King Juan Carlos I.

Further on in the nineteenth century, I may mention four *Putsches*, in favor of popular government this time: the ephemerally successful mutiny by the sergeants at the royal palace of *La Granja* in 1836; the more successful rebellion by General Espartero in 1840; the bloody takeover by General O'Donnel in 1856; and the failed uprising of the sergeants at the Madrid barracks of San Gil in 1866—all this during the reign of Isabella II, the daughter of Ferdinand.

The next incident is especially interesting, for it happened in 1874 at the same place as the attempt by Colonel Tejero a few weeks ago: at the Chamber of Deputies in the heart of Madrid, not far from the Prado Museum. Isabella II languished in exile. A federal republic was in place. Civil war was rife in the land. Four presidents had held power in one year. A soldier with no political ambitions, General Pavia, entered the chamber (though not on horseback, as the legend has it) with some soldiers and fired shots into the ceiling, just as Colonel Tejero a century later. However, Pavia's *coup* was successful and opened the way for a change of regime, the restoration of the monarchy in the person of Alphonse XII, the son of Isabella.

The reign of this king was peaceful: Alphonse XII helped consolidate a liberal constitution (in the European sense) and scrupulously obeyed it. If Juan Carlos I can be seen as taking after any of his Bourbon forebears, his model is his great-grandfather Alphonse XII—and an omen of good things to come this would be.

Alphonse XIII succeeded his law-abiding father, but he fell into the very temptation that his grandson Juan Carlos I has resisted: in the year 1923, the Captain General of Barcelona proclaimed the demise of the constitution and the King backed him up. This meant that he alienated all the democrats in the land and that he lost his throne as soon as the dictatorship was seen to fail.

Thus, the story which I have been telling, perhaps a trifle complicated for an American public accustomed to one constitution and no military adventurers, can be summarized into two thoughts. There have been many *coups* and rebellions in the last century and a half of Spanish history, staged by both the friends

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and the foes of liberty. The Kings and Queens of Spain have not been conspicuously law-abiding, but the ruling King knows that only the present constitution of 1978 will keep him and his descendants on the throne: if democracy goes, the monarchy in the end will also go.

The main lesson of Tejero's 1981 *coup* is that the contrary is also true: if the monarchy goes democracy will also disappear. But before I enter this most fascinating question (of why popular elective government depends on the existence of an aristocratic and hereditary institution) let me say a few more words about the *coup* as a set piece.

It is not surprising that an act so oft repeated must have evolved a tradition of its own, which has given it a symbolic dimension. A *coup* in Spain is not the exercise of sheer brute force, as it recently was in Liberia, for example. When it causes bloodshed it is taken to have failed and then a new episode starts—that of revolution or civil war.

The best example of this is the way General Franco gained power in the 1930s. Some generals and colonels first staged a *coup* in July 1936, and when they failed to capture the seat of government and were met by popular resistance, a new phase started and a bloody civil war was set in motion which lasted for more than two years and left 600,000 dead.

The Spanish name for a *coup* is revealing: we call it a *pronunciamiento*, a pronouncement by some of the military that they are rebelling against the established regime—and would some other generals please join them. If the whole army then declares itself against the government, the established order collapses and a new authority is put in place—ideally without a shot being fired, at most a few shots into the ceiling of the Chamber of Deputies.

Thus a *coup* has an agreed structure in Spain. Another element may be added to make this structure plain to Americans: the weight of the thirteen captains general in Spanish public life.

For many centuries, the territory of the Spanish monarchy has been divided in military circumscriptions, headed by a captain general. This is a more permanent feature of Spanish life than democratic institutions, and the truth of this is proven by the fact that the borders between the main Latin American countries are the very same as the limits of the captaincies general during the Spanish empire. Now, Colonel Tejero was in league with a captain general, Milans Del Bosch, the head of the eastern region of Valencia. During the night of the 23rd to the 24th of February,

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King Juan Carlos and General Milans Del Bosch telephoned other captains general to bring them over to either the side of the constitution or the side of the rebellion. The King won the day, or rather the night, when he appeared on television at 1:10 a.m. in *his* full uniform of captain general (for he is by right the first of the hierarchy) telling the others to obey him.

The mystery of it all is how the conspirators could think that the King would join them. Here enters a shady figure, General Armada, who was for a long time *aide-de-camp* to King Juan Carlos. We will not know the role of Armada until the case is seen before the military courts, but it seems that he told everybody concerned that the monarch was in on the plot.

As we have seen, history is indispensable to understanding of Spanish politics, and the rebellion officers were not historical enough. Juan Carlos I must have been drilled in the life story of his grandfather King Alphonse XIII, who lost his throne after the dictator he backed fell from power. Also, his brother in law is ex-King Constantine of Greece, who was not reinstated though he had opposed the Colonels, because once a King steps down in this republican century, the charm is broken and professional politicians aspire to become heads of state.

King Juan Carlos I made the right move on the dramatic night of February 23, for he has now become the hero of all freedom-loving democrats, whether they believe in a monarchical system or not in their heart of hearts. The Spaniards have gained an intuitive knowledge of the role of tradition, symbolism, and the parcelling of power in maintaining a free society.

The role of a monarchy in the preservation of democracy is ill understood in Europe, let alone in America. This role has to do with what I may call "the steps or layers of power" in a democracy.

Americans understand the notion of "division of power," whereby the opposition and mutual vigilance of independent authorities lay barriers to abuses. They have not discussed another feature of the American Constitution, which parcels power in ascending steps, so that in any political dispute only part of the pyramid of authority is being fought for: the federal structure of American government, where layers of authority rise from the precinct, to the city council, and up through the state, to the powers in Washington, is as important to the preservation of freedom as the opposition of the executive, the legislative, and the judiciary in the nation's capital.

In the centralized countries of Europe the importance of ex-

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cluding the highest magistracy from the political arena performs a similar role. Much fever is removed from political strife when there is one position of honor which none of the waning politicians may aspire to. The people also feel that, whatever the bitterness of elections or parliamentary opposition, something is stable in the land while the monarch presides benignly over flower shows, and the reigning family is being educated or married.

King Juan Carlos used this invisible reserve authority on that bitter night and the miracle worked: he will only be effective again if he is not seen to use this authority too often; if the possibility of his giving an order awes politicians and soldiers, bankers and trade unionists, bishops and journalists, into observing the bounds of constitutional propriety.

The final question is then, will he be called again to stop the rot which politicians both parliamentary and extra-parliamentary have started? Why was the *coup* staged at all?

The state of the country leaves much to be desired. First, terrorism proceeds unabated, despite the measures repeatedly proclaimed by the executive. The terrorists, who seem to want a military dictatorship because they thus hope to become the heroic defenders of the people, systematically kill and maim officers, policemen, and civil guards. Secondly, the attempt to establish a quasi-federal system in Spain has been badly mismanaged, so that the Basques and Catalans feel that they are being given too little autonomy and the rest of the country feels everybody is getting too *much* autonomy. Thirdly, the economy is in the doldrums, and the transition from the regulated but prosperous system under Franco to a free market capitalism is being botched.

All this gives wings to those who wanted the *coup* to succeed and they are numerous in the armed forces. The *Putschists* will be judged by a military court, and the whole country is anxious to know whether they will be punished exemplarily or escape scot-free.

Democracy can survive in Spain only if Spaniards agree on the institution which will harmonize human rights and public order, national unity and devolution, prosperity and competition. Progress along these lines depends now on the ability and political judgement of the cabinet headed by Mr. Calvo Sotelo, who seems a capable enough man but is called to carry a superhuman weight on his shoulders, and on the good will of all Spaniards. We cannot ask the King to do it again!

Pedro Schwartz

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Wronging Rights

TIBOR R. MACHAN

These days every wish of some sizable group seems to have earned the status of a basic human right. We are held both by some very prominent philosophers (for example, John Rawls at Harvard, Ronald Dworkin at Oxford) and by innumerable political activists (for example, Tom Hayden, Ralph Nader, Michael Harrington) to have human rights to be employed, to be provided with vacations, to receive lifetime security against disease and poverty, and even to escape from loneliness, if one is to judge by a recent "public service" ad.

At one time, of course, human rights were taken to encompass but a few, central, indispensable conditions of a good and free human community. In the background of such talk of restricted, basic, individual human rights lies the legacy of the political thought of John Locke, the thinking of the Founding Fathers of the American republic, and the debates surrounding the birth of this country. By the lights of these influences, each individual has only those rights which are justified by reference to our human nature, namely, the rights to life, liberty, and property (or pursuit of happiness). These rights were regarded as basic, universally binding (even if actually unobserved), absolute (even if often breached and compromised), and unalienable (even if left unheeded by the bulk of humanity). According to the political tradition which gave meaning to America's unique experience as a relatively free society—and inspired millions of human beings either to flee to American shores or to model their own societies on its legal framework—the protection and preservation of human rights are what make government lawful and morally justified, instead of a mere wielder of power.

These rights mean that each individual is owed a very wide area of personal discretion—to be guided by conscience and social influence but never by force—as to how his life will be lived, what he will do, and what his productive and creative activities will be devoted to. Government is only to see to it that no one intrudes on his sphere of personal authority. Beyond ensuring such respect for the rights of everyone, government is not supposed to be manag-

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ing the affairs of individuals, families, clubs, firms, schools, churches, theaters or any other peaceful institution in society.

A Genealogy at a Glance

Locke was responsible for much concern with human natural rights[1] and his impact was felt in the new world readily. Before him Hobbes also used the idea, but for Hobbes natural rights came before anything else, while Locke believed that they rested on a prior moral foundation. Earlier still, William of Ockham regarded natural rights as "a power to conform to right reason,"[2] while in Aristotle's *Politics* we read that Lykophron saw law as "a guarantee (or guarantor) of mutual rights (dikaion)."[3]

Natural rights underpin, in large part, America's founding documents.[4] They are so called because the rights in question—to life, liberty, and the pursuit of happiness (including whatever non-rights-violating pursuits one may choose to engage in)—are claimed to be derivable from an understanding of human nature,

1. Some argue that Locke did not actually embark upon a philosophical inquiry about political matters but produced, instead, an ideological tract so as to rationalize various political developments in England. *See,* C. B. Macpherson, *Possessive Individualism* (Oxford: Clarendon Press, 1962).

2. Quoted in Martin P. Golding, "The Concept of Rights: A Historical Sketch," E. B. Bandman, ed., *Bioethics and Human Rights* (Boston: Little, Brown & Co., 1978), p. 48. Ockham also defended the institution of private property, somewhat like John Locke, based on the view that God gave mankind this institution which means, to him, "that the right to private property is a dictate of right reason" (as expressed by Heinrich A. Rommen, "The Genealogy of Natural Rights," *Thought,* Vol. 29 (1954), p. 419).

3. Quoted in Fred D. Miller, Jr., "The State and the Community in Aristotle's *Politics*," *Reasons Papers*, No. 1 (1974), p. 66.

4. In support of the view that Locke influenced the American tradition, see Bernard Bailyn, *The Origins of American Politics* (New York: Vintage Books, 1967), Harry V. Jaffa, *How to Think About the American Revolution* (Durham, North Carolina: Carolina Academic Press, 1978). *Cf.*, Frank M. Coleman, *Hobbes and America* (Toronto: University of Toronto Press, 1977). I am not suggesting that John Locke alone influenced the political system of the United States, nor are Bailyn and Jaffa advancing such a thesis. For a collection of studies on Locke, see Gordon J. Schochet, ed., *Life, Liberty, and Property* (Belmont, California: Wadsworth Publishing Company, 1971). For one of the most provocative criticisms of the Lockean approach, see Leo Strauss, *Natural Right and History* (Chicago: University of Chicago Press, 2nd edition, 1970), pp. 202-251. The controversy about Locke is discussed, from the point of view Strauss inspired, by Michael P. Zuckert.

4. "The Recent Literature on Locke's Political Philosophy," *The Political Science Reviewer*, Vol. 5 (1975), pp. 271-304.

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and the requirements of human community life. Human nature, in turn, is supposed to mean something quite specific. The nature of a human individual consists, in this framework, of certain factors that are evident about everyone and that warrant regarding each as a member of the distinct *human* species. We, human beings, are characterized by innumerable factors: height, weight, color, national origin, age, degree of health, degree of beauty, degree of intellect, profession, religion, marital status, achievement of wealth, education, and so forth. These we sometimes share with our fellow human beings; other times we do not. In short, much of what we are, many other human beings are not. But there are some facts about us that can be found in the case of virtually every other person. And if these facts best serve to differentiate us from other living beings that are not human, then these are what constitute our human nature, our essence as human beings.

The idea underlying natural rights theory is that there are certain definite rights we all possess simply in virtue of our human nature, nothing else. It will now help to say something about rights before we continue with a discussion of natural and human rights.

When someone has a right to something—for example, the use of a car, a pension at age 65, an education up to high school level—this amounts to the fact that others may not prevent him from exercising the option to enjoy or refuse what he has a right to do. If someone has a right to the use of a car, it does not mean that he will use the car, or should do so, or will be well off if he does so. It means only that others must not—may be prevented if they try to—interfere with his choice to use the car (or take the pension, or obtain the education). A right places an obligation on others to refrain from interference. The interference from which others must refrain is, of course, the kind that the person who has the right cannot resist without effort. (Thus to give someone the advice or even to urge upon him that he should *not* use the car is not really the sort of interference at issue here—one can simply reject the advice or persuasion and move on.) It is really preventive or obstructive interference—*usually* physical coercion or its threat— that no one may engage in for purposes of imposing a decision upon someone who has a certain right.

There are many sources of rights, most of them contractual or institutional. Being a child in a family may establish the right to receive food or the needed and available care from the adults of

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that family. Having contracted for the building of a house on one's property, one has the right to have this house built by the contracting party. As a member of a university faculty one may have the right to use the faculty club. And as an employee of some firm, one may have the right to be paid a given wage at a certain time.

Clearly these sorts of rights are not natural, since *as a human being* one might or might not have them—it depends on special circumstances. That is why in the philosophical literature such rights have acquired the name of *special* rights.[5] The question then is whether *as human beings* we have any rights and if so, what they are.

Let me be especially clear about this. A right is a social condition that human beings are required to uphold by refraining from interference with some range of conduct on the part of someone. And a natural right is a social condition that human beings are required to uphold by refraining from interfering with some range of conduct on the part of someone *in virtue of someone's being a human being*.[6] Assuming that we each have the natural right to life, this requires that no one act so as to destroy another's life. Thus nothing productive is required of others.

The natural rights theoretical tradition has laid predominant stress on rights involving others' mere forbearance, leaving the production of life supports, for example, as a distinctive task, not related to the protection and preservation of our natural rights. The point is well exemplified in the wording of the Declaration of Independence. It lists among the rights all men have the rights to "life, liberty and the pursuit of happiness." As Ayn Rand notes,

> Observe...the intellectual precision of the Founding Fathers: they spoke of the right to *the pursuit* of happiness—*not* of the right to happiness. It means that a man has the right to take the actions he deems necessary to achieve his happiness; it does not mean that others must make him happy.[7]

This situation in our time has changed considerably.

5. *See,* William N. Nelson, "Special Rights, General Rights and Social Justice," *Philosophy and Public Affairs,* Vol. 3 (1974), pp. 410-430.

6. For a detailed discussion, *see* my *Human Rights and Human Liberties* (Chicago: Nelson-Hall, 1975), Chapter 2.

7. Ayn Rand, "Value and Rights," John Hospers, ed., *Readings in Introductory Philosophical Analysis* (Englewood-Cliffs, N.J.: Prentice-Hall, Inc., 1968), p. 385.

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Current Confusions About Human Rights

The United Nations Universal Declaration of Human Rights, adopted on December 10, 1948, by the General Assembly of the United Nations at the Palais de Chaillot, Paris, France, includes "the right to social security" (#22), "the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment" (#23), "the right to rest and leisure" (#24), "the right to education" (#26), and, oddly enough, "everyone has duties to the community" (#29).[8]

Several reasons account for the drastic change in the type of concerns which had come to be characterized as human rights. Some, like Professor A. I. Melden, believe that one major reason is "the radical changes in the circumstances of human life, which have occurred since Locke's own time, as the result of which neither the moral judgments he expressed nor the very moral concepts he employed have remained unaffected."[9] Vladimir Kudryavtsev, a Soviet jurist, believes the change shows a valid rejection of "anarchistic discourses on 'universal human rights,' " and says that "A right is an opportunity guaranteed by the state to enjoy the social benefits and values existing in the given society [so that] the same right (for instance, the right to education) has an entirely different content in different historical and social circumstances."[10] But these are not the main reasons, in my view. They haven't made a very serious impact thus far.

But then why the major shift? Why was there once confidence in the existence of self-consistent, permanent natural rights—unalienable, universal, basic to all human beings and commanding

8. A. I. Melden, *Human Rights,* pp. 143–49. Initially the list included "the right to own property alone as well as in association with others" (#17), but this was recently superseded by the UN Covenant on Civil and Political Rights, both of which proclaim the "right of peoples and nations to permanent sovereignty over their natural wealth and resources" which "must be exercised in the interest of their national development and of the well-being of the people of the state concerned." Such "rights" are so far removed from human rights in the original sense that the employment of the idea cannot be seen as anything other than intentional obfuscation.

9. A. I. Melden, *Rights and Persons* (Berkeley, California: University of California Press, 1977), p. 232.

10. Vladimir Kudryavtsev, "The Truth About Human Rights," *Human Rights,* Vol. 5 (1976), p. 199. (It is fascinating how readily officials of the Soviet regime gain space for their views in publications of American universities, often funded by taxpayers.)

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respect, protection, and preservation in all human communities—while today there is hardly any sign of this confidence? The main reason is that the very idea of the *nature* of man, of human nature—of the view that for each human being there are certain essential factors that warrant his or her being classed among *human* beings—has lost both philosophical and popular respectability. All the rest bearing on our topic flows from this change. This isn't to say that considerations other than shifts of philosophical winds did not bear on the change, nor that all these shifts were entirely innocent in motive and purpose. Thus, inasmuch as "the very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy," as pointed out by the U.S. Supreme Court (319 U.S. 624 [1942]), it could well suit the purpose of those who would wish to vastly expand the scope of politics to establish a very large set of basic human rights that would be taken as having the import of those listed in the Bill of Rights.

In terms of ideas, though, the shift may be understood as follows: Two centuries ago the idea that human beings are radically different from the rest of the living beings on earth had been both a theological and philosophical conviction. Today—with the widely proclaimed success of getting chimps to "think" or at least make signs for purposes of communication, the demise of the dominance of theological ideas, the speculation about extraterrestrial life, and so forth—the idea that a rigidly distinct human species exists of which we are members is on shaky foundations if not entirely incredible.[11]

In ordinary thought and action, of course, most people are quite sure that some factors warrant classing certain beings as human. So for ordinary, practical purposes the idea of human nature prevails. As Professor Laszlo Versenyi notes, "Barring all knowledge of human nature—that which makes a man a man—the word man would mean nothing and we could not even conceive of man as a definite being distinguishable from all other beings." And, as he points out, "Consequently anything we might

11. I am not claiming that all serious thinkers have followed this pattern of thought, only that the main currents conform to it, judging by the prevalence of such ideas in journals, at conferences, and in books published by major houses. There are many thinkers who find room for human distinctiveness even in a secular world view, mainly because they accept a hierarchical conception of nature or being, with various levels not reducible to others.

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say about man would be necessarily meaningless, including the statement that human nature as such is unknowable to man."[12]

But our ordinary popular thinking is permeated with what we learn in colleges, through magazines and television specials; and while in practice we might cling to an idea of human nature, in our thinking great confusion and lack of self-confidence have resulted. Some of this has led to serious proposals about the "rights" of animals, even trees and mountains, not simply in philosophical speculation but in the chambers of various legislatures. Our current popular discussions about human rights occur mostly at a complex theoretical level—very few people believe that anything like full adherence to human rights (never mind how this is used) exists anywhere in the world. So, the confidence of the Founding Fathers of the United States is long gone concerning the issue of how to conceive of ourselves in theoretical, philosophical, and legal terms.

The *philosophical* respectability of natural rights started to wane almost as soon as John Locke gave the idea creditability. Many philosophers—and in a curious fashion even John Locke[13]—found flaws with the idea of the *essence* or nature of something. Thereupon the idea of stable, lasting principles of human community life came under severe assault. Jeremy Bentham, who made a special project of ridiculing natural rights,[14] thought that the belief in such rights would prevent governments from instituting progressive legislation and would thus hamper social progress. John Stuart Mill held to a watered down version of natural rights, based not on considerations of the nature of man but on the value of upholding certain principles since this would promote "general utility."[15]

12. Laszlo Versenyi, "Virtue as Self-Directed Art," *The Personalist,* Vol. 53 (1972), p. 282.

13. In his *An Essay Concerning Human Understanding* (New York: Meridian Books, 1964), pp. 268ff, Locke characterizes essences (or the nature of something) in purely nominalist fashion. As far as essences having an objective basis in reality, this Locke thinks is incorrect. So in his very own epistemology, Locke undercuts what he requires for his political theory.

14. In his *Anarchic Fallacies,* selections reprinted in Melden *Rights and Persons, op. cit.,* pp. 28–39.

15. John Stuart Mill, *Utilitarianism* (Indianapolis, Indiana: The Bobbs-Merrill Co., 1957), p. 66. "To have a right, then, is, I conceive, to have something which society ought to defend me in possession of. If the objector goes on to ask why it ought, I can give him no other reason than general utility."

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Other influential thinkers, such as Hegel and Marx, regarded the entire worldview out of which they claimed the natural rights tradition emerged as flawed—or, at best, a mere stage in history's inevitable progress toward humanity's full emancipation. Marx was quite hostile to the very idea of the widely proclaimed basic human right to freedom, for example, because, he thought, it "is not based on the union of man with man, but on the separation of man from man."[16] The individualist tradition began to lose its influence. Natural individual rights formed its basic political ingredient, and they constituted a bulwark against the idea that human beings may be used, against their will, as resources or pawns by others, especially their government. But this idea has gradually lost its philosophical support not only among outright foes but also among those who willy-nilly considered it still a fruitful (albeit seriously deficient) system. Even in the United States, where individualism is (falsely but still often) regarded to have reigned supreme for two centuries, the support for natural rights and the kind of political and legal principles it fostered, had declined severely among, at least, the intellectuals, especially philosophers.

By the turn of the century the dominant philosophical atmosphere in the English-speaking world was very far, indeed, from the perspective that initially lent natural rights its philosophical support. Most importantly, the idea that one could know right from wrong, in ethics or politics, became increasingly disputed in philosophy as in culture. Most professional philosophers came to believe that someone's judgments as to what is right, wrong, good, bad, decent, evil, and so forth, really amounted to exclamations of preference, emotional disposition, sentiment, and similar subjective, biased, or conditioned noncognitive matters.

After World War II, as the United Nations Declaration was being signed, the English philosopher Margaret Macdonald wrote:

> " 'Man' equals 'rational animal' Df." is the fossil preserved in logic text books since Aristotle... And men's rights depend upon this common nature and end by which they are subject to the natural or unwritten law. But this seems to me a complete mistake... Men do not share a fixed nature, nor,

16. Karl Marx, "On the Jewish Question," in *Selected Writings* (New York: Oxford University Press, 1977), p. 53.

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> therefore, are there any ends which they must necessarily pursue in fulfillment of such nature.[17]

Dr. Macdonald was saying this in reply to Jacques Maritain who suggested, at about the same time, that "there is a human nature and this human nature is the same in all men. . . ."[18] But Professor Maritain was a thinker closely aligned with a theological tradition and his views did not convince the mostly secular Anglo/American academic philosophical community. The bulk of them accepted the broad meta-ethical view Dr. Macdonald advocated. This view was, in its essentials, that

> To assert that "Freedom is better than slavery," or "All men are of equal worth" is not to state a fact but to *choose a side.* It announces, *This is where I stand.*[19]

Watering Down Human Rights

The view Margaret Macdonald advocated held sway among many prominent intellectuals, especially philosophers. Political philosophy had been abandoned almost entirely, left to political scientists, mostly behavioralists, who completely eschewed morality and principled politics as a valid sphere of inquiry. Even among those intellectuals who defended the system which developed from within the natural rights political framework—namely, the free society and free market—it was economic *utilitarianism* which gave the system support, not natural rights theory.

In general, also, the social "sciences" conceived of human beings—without any commitment to a stable human nature—as passive entities, reacting to the environment or being driven by instincts, certainly not self-motivated, self-directed. The image of man as free and independent by his very nature, as possessing the ultimate capacity to give direction to his life and responsible to do so properly, for which he required liberty from others' interference—this image had given way to the supposedly scientific notion that people were moved by everything but their own initiative (or its lack).

When, in the wake of the Southeast Asian conflict, questions were raised about political legitimacy, talk of human rights reemerged. But with natural rights having been robbed of founda-

17. Margaret Macdonald, "Natural Rights," in Melden, *op cit.,* p. 47.

18. Jacques Maritain, *The Rights of Man and Natural Law* (New York: Charles Scribner's 1943), p. 35.

19. Macdonald, in Melden, *op. cit.,* p. 55.

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tion, the questions of what human rights are and how we could learn about them came to be answered by relying on a prominent dictum of contemporary philosophy taken from Ludwig Wittgenstein: "The meaning of a word is its use in the language."[20] This amounted to examining where the words "human rights" came naturally in conversation, where they were used smoothly in serious or important discourse. The next question was: "Did any implications follow from the general meaning of the concept in line with this inquiry?"

The view of human rights that arose under such influence departed very significantly from the theory of natural human rights. Not only philosophers but all who tried to come to grips with what are the standards of political legitimacy, of justice, or of law and order, turned away, to a substantial degree, from the tradition of natural human rights. They looked for other theoretical foundations for thinking about politics, government, and the limits of political power. By the late 1970s, and in the current period of political philosophical scholarship, not even this negative orthodoxy is so starkly evident. Still, the political arena is under the almost total influence of various loose ideas about human rights. Few philosophers who concern themselves with political issues ever bother to examine the more fundamental areas of metaphysics and epistemology. In this they are under the explicit guidance of Harvard political philosopher John Rawls.[21] In his 1974 presidential address to the Eastern division of the American Philosophical Association, Professor Rawls explicitly rejected any need for searching for metaphysical and epistemological foundations for political and moral principles. He said that moral theory "consists in the comparative study of moral conceptions," something that is "independent" of such areas of concern as "the theory of meaning, epistemology, and the philosophy of mind."[22] For John Rawls, then, when we wish to identify what is morally right and wrong, or what is politically just and unjust, we need to search through the various ordinary uses of these terms—which, after all, give the most accurate expression of "our basic intuitions" or natural incli-

20. Ludwig Wittgenstein, *Philosophical Investigations* (New York: Macmillan Co., 1953), #43.

21. John Rawls, "The Independence of Moral Theory," *Proceedings and Addresses of the American Philosophical Association,* Vol. XLVII (Newark, Delaware: American Philosophical Association, 1975), pp. 5-22.

22. *Ibid.*, p. 21.

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nations in the matter at hand—and, based on that study, develop a sort of pool of acceptable meanings for these terms.

Professor Rawls has thus taken further even than Wittgenstein the rationale for systematic ambiguity and vagueness concerning such crucial issues as the limits of governmental power, the standards of political legitimacy, the sphere of individual independence, and a host of other topics about which human beings have been seeking understanding from the earliest time of recorded human history. It is this kind of thinking that has made it intellectually respectable to lump together in serious political writing the crimes of Stalin with those of Richard Nixon. This is the type of reasoning that has given birth, in philosophy and in law, to animal rights and even the rights of trees and mountains.[23] It is this sort of philosophizing that has made it possible for innumerable serious public policy journals to discuss human rights as if any strong feeling one had for some goal to be realized should legitimately be accorded the title of a human right—the right, for example, to read, as another public service message (on television), produced by a government bureau, declared recently.

Actually, the original Lockean theory is not the only alternative to this wishy-washy outlook on human rights. A few theorists since then have made much progress in the direction of strengthening that tradition of human rights theorizing. But these theorists have not achieved what advocates of the more confused outlook have: significant prominence. Instead, these natural rights theorists, except for the Harvard philosopher Robert Nozick, publish their views in various more or less distinguished philosophy journals and carry forth with their scholarship, including their cultivation of graduate students and undergraduate followers, in various more or less obscure colleges and universities. (Nozick, in his *Anarchy, State and Utopia*, does not justify the claim that there are natural rights but proceeds, instead, by assuming the truth of the claim and by showing that our moral intuitions or feelings of right and wrong are consistent with the rights in question as implemented in a human community.)

23. For example, *see* Christopher Stone, *Should Trees have Standing?* (Palo Alto, California: William Kaufmann, 1975), Burr, "Toward Legal Rights for Animals," *Environmental Affairs,* Vol. 4 (1975), and Robert W. Hanula and Peter Waverly Hill, "Using Metaright Theory to Ascribe Kantian Rights to Animals within Nozick's Minimal State," *Arizona Law Review,* Vol. 19 (1977). *Cf.*, Michael Martin, "A Critique of Moral Vegetarianism," *Reason Papers,* No. 3 (1976).

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Many factors influence the day-to-day politics of a large republic such as the United States of America. Some of these are the most prominent views promulgated by renowned political thinkers. In our time these are individuals who care little for Lockean natural rights, which would restrict the scope of government and politics to the protection of the rights of life, liberty, and the pursuit of happiness. *Time* magazine correctly reported back in July 1975 that "The doctrine of natural inalienable rights would be hotly denied by most philosophers." (Ironically this is so even while various scientific and other professional groups engage in protests against violations of human rights of all sorts across the globe.) Instead they are giving philosophical support to the view that virtually any interests human beings have are fair game for purported human rights. And arguments based on interests ultimately issue in talk of the rights of animals and trees.[24] That our courts and legislatures welcome this trend goes without saying. It casts them in the role of great benefactors of humanity.

Resisting Corruption

It isn't justified to reject the concept of human rights because of this abuse, any more than it would be justified to reject the concept of democracy simply because the dictators of Eastern Europe label their political processes democratic; or the concept of a republic simply because the Soviet Union calls itself by that name. Instead the task is to recover the sensible, precise, meaningful explication of the concept of human rights. This can begin by recalling de Tocqueville, who observed that

> There is nothing which, generally speaking, elevates and sustains the human spirit more than the idea of rights. There is something great and virile in the idea of right which removes from any request it suppliant character, and places the one

24. *See,* Rodney Peffer, "A Defense of the Right to Well-Being," *Philosophy and Public Affairs,* Vol. 8 (1978), James W. Nickel, "Is there a Human Right to Employment?" *The Philosophical Forum,* Vol. 10 (1978–79). For example, Nickel says, "To someone weighing his interests in the Rawlsian original position, the concern to avoid starving or dying for lack of medical care is surely as strong as the interest in not being arbitrarily imprisoned" (p. 164). For resting animal rights on interest, *see* Joe Feinberg, "The Rights of Animals and Unborn Generations," in Wm. T. Blackstone, ed., *Philosophy and Environmental Crisis* (Athens: University of Georgia Press, 1974). For a more robust effort advocating human rights as encompassing welfare rights, *see* Henry Shue, *Basic Rights: Subsistence, Affluence and U.S. Foreign Policy* (Princeton: Princeton University Press, 1980).

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> who claims it on the same level as the one who grants it. But the right of the poor to obtain society's help is unique in that instead of elevating the heart of the man who exercises it, it lowers him.[25]

It is simply incorrect to think that people have human rights to food, medical care, employment, vocations, education, and the rest of life's values and amenities, by virtue of their human nature—or anything else, for that matter. Human rights are conditions specifying the most general requirements individuals living in each others' vicinity owe to each other. These conditions are required because of one thing alone: the capacity human beings have for intruding upon each other's lives as a matter of choice, of their free will. This is what makes such intrusion morally and politically impermissible and justifies retaliation and political and legal provisions which would thwart it. By contrast, the needs for food, shelter, work, medical care, education, and so forth exist quite apart from other people. Such needs would exist even for those who lived apart from society, and the threat of their going unsatisfied has nothing uniquely to do with the presence of others. While this fact may escape people in light of our close ties to society—the principle holds, nevertheless.

There are complicated reasons why it has come to be believed that there are human rights to being supplied with what one needs in life. Among them we find the idea of determinism: the idea that our life is not under our control and we are not responsible for what we do, let alone responsible *to do* certain things (for example, support ourselves). So, if someone *does not* have his needs satisfied, well then he *could not* have done so—or so it is widely believed by those who accept the view that what *we do* actually only *happens to us*. In that case, of course, it does seem awfully cruel and callous to create a system of laws which allows that people go without help when they are in need. The right to life, no less, would seem to entitle people to be supplied with their needs.[26]

Furthermore, if we each have the natural right to education, etc., governments will be responsible to "protect and preserve" these rights—which can, in practical terms, mean only that gov-

25. A. de Tocqueville and G. de Beaumont, *Tocqueville and Beaumont on Social Reform,* edited and translated by S. Drescher (New York: Harper and Row, 1968), p. 17.

26. For example, *see,* Hugo Bedau, "The Right to Life," *The Monist,* Vol. 52 (1968).

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ernments must make some people supply others with what they need. It is only a stone's throw from this to the all encompassing, planned, totalitarian state. Is it any wonder that the latest argument for the right to employment appears in a philosophy journal edited by a prominent Marxist philosopher, publishing largely Marxist and near-Marxist papers critical of capitalism, the free market, America, and so forth?[27]

Given these sets of "human rights," it is natural that when governments act to protect them, they come face to face with such human rights as the right to private property. In our time municipalities across our country are yielding to the argument, usually made by local "community" organization leaders (mostly "former" new leftists and socialists), that for property owners to reap benefits from their property—for example, via development of houses or apartments—they must first supply "affordable" housing for those who have a right to it and demand it. All this leads to enormous confusion, which ultimately yields the demand for additional departments and greater government involvement—usually led by eager "community" leaders.

Foreign Policy Consequences

Indeed, the idea of human rights which has come to prominence of late serves to guide much of the legislative and judicial development of the modern welfare state, and lowers the man who exercises it, making him, frankly, a ward of the state. Government support of anyone and everyone, rich and poor, tall and short, pretty or homely, fat or skinny, and the like, all reflects the corruption of the concept of human rights in one or another, more or less subtle form.

A serious confusion has been generated in the area of foreign affairs by the lack of clarity and corruption of the concept of human rights in America's official rhetoric. Desperately trying to appear both politically and morally neutral (as becomes a state with no clear moral foundations) and at the same time to appear virtuous and worthy of moral respect, the U.S. government under President Carter, forged a so-called human rights policy. Mr. Jerome Shestack, U.S. Representative to the UN Commission on Human Rights for President Carter, has recently insisted, despite all the confusion surrounding this policy, that a "human rights

27. Nickel, *op. cit.*, "Is there a Human Right to Employment?"

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policy does serve our country's best interest," as demonstrated, he insists, by "events in Iran, Poland, Afghanistan, the Soviet Union, El Salvador, and elsewhere." He claims that "The United States cannot remain relevant to global events without focusing on human rights concerns."[28] A similar theme is sounded by Abraham Sirkin, a Washington consultant who was a member of the policy planning staff of the State Department from 1972 to 1974 and a staff consultant on human rights until 1977. He claims that "The Carter effort has led to better conditions in some countries, and a more favorable U.S. image among future leaders in Africa and Latin America." Mr. Sirkin claims, moreover, that the Carter "human rights" policy "was weakened also by the reluctance of U.S. officials to link an unequivocal anti-communist rationale to moral reasons for putting pressure on, or detaching from, right-wing oligarchies headed for collapse."[29]

All this is promptly disputed by UN Ambassador Jeane Kirkpatrick, who claims that the Carter policy urged nothing but blind "changes" in, for example, Central America, in opposition to unclear, unspecified "human rights violations."[30] And judging by the vagueness of Mr. Shestack's claim crediting the policy, and its lumping of petty authoritarian regimes with massive, brutal dictatorships such as the Soviet Union, Ambassador Kirkpatrick is right. Nevertheless, it is unfortunate that as a result of Mr. Carter's perplexing and confused "human rights" policy, the Reagan foreign policy effort will probably avoid reference to human rights even where this is fully warranted.

The central point is that a confused idea of human rights will not serve to enhance the proper interest of either the United States or the people who suffer hardship and abuse at the hands of dictatorial or authoritarian governments. The objections leveled at governments under the Carter policy simply failed to distinguish between the alleged failure of some to carry out policies of welfare or aid or support or accommodation in the light of special, often aggressive and violent "revolutionary" interests, and the failure to respect the basic individual human rights of people to life, liberty,

28. Jerome J. Shestack, "Human Rights Remains Our Best Weapon," *The Washington Star,* January 4, 1981. *See* Henry Shue, *Basic Rights, op. cit.*

29. Abraham M. Sirkin, "Dictators: A Backfiring Policy," *The Los Angeles Times,* January 15, 1981.

30. Jeane J. Kirkpatrick, "U.S. Security and Latin America," *Commentary,* January 1981.

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and property. It appears that the new-left element of the Carter administration was successful in obliterating the distinction, making it appear that a society whose government did not engage in massive land reform and redistribution of wealth could be said to be as evil and politically illegitimate as one which murdered millions, sent every critic to "mental institutions" or labor camps, and forbade anyone to engage in free trade or leave its dominion of gang rule. When a government official can lump together the petty dictators of Latin and Central America with the massive tyrannies of the Soviet Union, claiming that the lawlessness of the latter is equal to the stupidity and irrationality of the former, it shows how much confusion exists concerning human rights. Bona fide human rights *are*, of course, violated also in Central and Latin America. But to rank such violations—arbitrary imprisonment, failure to apply due process of law in most cases of dealing with suspected terrorists and dissidents, occasional torture—with the massive oppression of entire peoples and ethnic groups testifies to a total lack of understanding of what human rights are.

Even in cases where the idea of human rights is used precisely enough, for instance, the Soviet suppression and assault upon scientists and artists who oppose the state in print and lectures, U.S. rhetoric and policy have been too selective. Why is the suppression of tradesmen, farmers, craftsmen, and other ordinary citizens who lack the capacity to articulate their demands ignored? Are only vocal dissidents worthy of having their human rights respected? This policy of worrying mostly about those who complain reflects the recent selective respect paid to human rights in U.S. legal history, namely, a concern mainly with the right of members of the verbal and writing professions, as if only their right to liberty deserved respect.

Nor is it clear what any government ought to do towards other societies when witnessing bona fide human rights violations. More or less tyrannical societies surround the United States. But what should a government of a society with greater institutional respect for human rights do *vis-a-vis* societies in which governments ignore these rights?

The answer cannot be given as a precise formula.[31] First, the

31. I have developed these points in my "On Human Rights, Feudalism and Political Change," in Alan Rosenbaum, ed., *The Philosophy of Human Rights* (Westport, Connecticut: Greenwood Press, 1981).

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government of a free or relatively free society is obligated to secure the protection and preservation of the human rights of its own citizens in whose service, after all, it stands. This is the proper meaning of the concept of national interest. Thus, when fending off powerful tyrants from the East, such a government would worry less about the internal improprieties of less powerful but accommodating petty tyrants of the South than some people urge it to do. Government officials can, of course, as everyone else can—and often should—express dismay and contempt toward human rights violators, provided the national interest is not sacrificed. Not sanctioning, with their presence, for instance, the celebration of some tyrant's birthday or some authoritarian system's parading of its state police would count as such a protest. That much, certainly, officials of a society owe to their country's heritage and values.

Human Rights and Domestic Politics

On the domestic front America's subjugation to the corruption of the concept of human rights is more blatant still. The domestic proliferation of so-called human rights should by now be evident to everyone. The alleged human rights to a fair wage, employment, health care, equal treatment by everyone, affordable housing, clean air, and the rest—not to mention the alleged basic rights of animals or animal species—have amounted to a list of Christmas gift wishes for all sorts of groups, many seriously wanting and even trivial. In short, we have "human rights"—"renters' rights," "students' rights," "workers' rights," "women's rights"—all of which express an alleged derivation from human rights, making them at first glance seem quite real but upon closer inspection nothing but perversions of the idea of basic, individual human rights. And all of these confusing, obfuscating "rights," of course, governments, at taxpayers' expense, are supposed to protect and preserve.

Arguments for such rights abound in the legal and philosophical literature, usually resting on so-called moral intuitions, nothing more.[32] In several efforts to justify such alleged human rights, a clear slippage occurs from the original idea (that everyone has basic human rights that others must respect and that governments are established—or should be established—to protect and pre-

32. For example, *see,* Ronald Dworkin, *Taking Rights Seriously* (Cambridge, Mass.: Harvard University Press, 1977), Chapter 6. *See also* note 24.

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serve), to the spurious view that "human rights are mainly rights against governments,"[33] that is, concerning what governments are obligated to do for us. The government does something positive in both cases, namely, renders protection and secures preservation. In such discussions we find that it is *countries* that respect rights, *societies* that must not violate the rights of people, *governments* that owe the people the respect for their rights.

But it is not against governments at all that we have rights, since we would have our human rights even if no governments existed. Were someone to meet another outside any government's jurisdiction, murdering him, assaulting him, or stealing his belongings would still be wrong, and this could be shown most successfully by reference to the fact that the standards of conduct we have identified as human rights have been violated. Those "against" whom we have rights, do not, in general, owe us anything other than treatment as independent moral agents with our own lives to run. There are many moral dimensions to our lives outside concern with rights, but none so general as that concern. In large societies we meet innumerable people to whom we are unrelated in any other respect except that they, as we, are *human* beings. From them we are not entitled to food, employment, service, or medical care.[34] When at times, in dire need or emergencies, we do receive such help from strangers, we owe and usually give thanks. But we owe no thanks when no one violates our basic human rights to life, liberty, and property—that is, when no one kills, assaults, or steals from us (or carries out subtle variations of the same or poses a clear and present danger of doing so).

By now the initial concern with our natural rights has given way to gross neglect, and the government has become the major rights violator, as when the Department of the Interior brazenly

33. Nickel, *op. cit.*, p. 152. Also, Dworkin, *ibid.*, asks, "Does the Government respect the moral and political rights of its citizens? Or does the Government's foreign policy, or its race policy, fly in the face of these rights?" (p. 184). But from philosophers, at least, one would expect greater precision on these matters. The government of a country has as its function the protection and preservation of such rights as each individual has by virtue of being a human being. From recent discussions it would seem that government by itself owes respect for these rights, and innumerable others, making the entire issue of why governments exist, what justifies their existence, a mysterious matter.

34. This is not to say that sometimes others, even strangers, aren't morally blameworthy for failing to render help. The issue is whether this help is a matter of *enforceable* duty, as the respect for genuine human rights clearly is.

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confiscates land from various companies, when local zoning groups decide to down zone and thereby rob property owners of wealth the free market would have willingly provided, or when various modes of conduct which in no way injure others are legislated into crimes, such as drinking cyclamates and using Laetrile or other drugs. These and similar cases are unfortunately complicated by such factors as government's current control and widespread regulation of vast areas of our lives and properties. A mixed economy and society, whereby principles of liberty and those of various special interests are linked in various states of compromise, does not easily exhibit outright crime by government, inasmuch as government is in most cases manager and owner of property and directly controls the lives of those entangled with such property. This leads to the curious result that various provisions of the Bill of Rights are made applicable to pieces of legislation which themselves contradict both the letter and spirit of those rights. Thus, although, as J. Skelly Wright observes, "the equal protection clause [of the 14th Amendment] cannot be involved to require either the national government or the states to create wholly new rights in their residents," nevertheless it does "command that governmental benefits and immunities shall be available to all, if granted to any."[35]

There is, thus, a problem with spelling out precisely the consequences of the corruption of human rights in domestic life, because so much of that life has come under direct government management. Education, health care, employment, the arts, the sciences, transportation, and the rest—virtually nothing is left unmanaged by various layers of government. In all governmental affairs the general edict of administrative justice, namely, due process of law, must be adhered to. The point that citizens must have law applied to them fairly, without discrimination, will accordingly apply very widely, and it will have a widespread and artificial equalizing effect when extended improperly. Individual, cultural, physical, ethnic, temperamental, sexual and other differences will have to be overridden as a matter of government policy instead of as a matter of something that people might wish to achieve for themselves alone or with others' voluntary cooperation if and when appropriate.

35. J. Skelly Wright, "Judicial Review and the Equal Protection Clause," *Harvard Civil Rights-Civil Liberties Law Review,* Vol. 15 (1980), p. 18.

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For example, to take a case that would seem to favor the broadening of the human rights idea, handicapped citizens now ask for and often receive the special attention they need, not as a matter of good will and considerateness but as a matter of public policy, because almost anywhere they might find themselves governments are, directly or indirectly, the proprietors or managers of the realm. Most major corporations subcontract with governments. So they are required to abide by the administrative rule that all citizens must be given equal consideration when it comes to law enforcement. Not because of compassion or generosity, but as a matter of law must we all "help" the handicapped. Not because of a sense of widespread fair play and good will, but from coercion shall opportunities arise for the employment and good pay of women or black professionals. Government controls the bulk of business, directly or indirectly, and thus they are all forced to be "fair." And the courts must rule accordingly.

With the scope of government restricted to the protection and preservation of the basic individual human rights specified in natural rights theory, the courts can rule that only in their strictly limited function of law enforcement and administration must government treat citizens as equals. This makes sense because in that respect citizens *are* largely equal—they are all, as individual human beings, also moral beings who, because of their natural rights, must be accorded treatment as such, regardless of sex, race, medical condition, age, wealth, education, or marital status. But as soon as government manages the entire society, as is the case more and more in our time—and more so everywhere else—equalizing treatment is always and everywhere forced upon everyone. And while in some cases it is true that discrimination against others would be totally unfair, nevertheless, this is not always so, nor is it government's duty to bring it about but rather the moral duty of individuals whose very opportunity to fulfill personal moral responsibilities in these social areas is thwarted by expanded governmental scope.

Affirmative action, fair housing provisions, fair employment practices, and so forth—these type of developments all relate in some way to the expanding scope of government, which in turn is largely the result of the corruption of the concept of human rights.

Toward Conceptual Integrity

Such corruption should, however, be firmly resisted, both in theory and in practice. There is, in fact, a bona fide, sound notion

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of human rights, based on a sound conception of human nature. Human nature exists, all the fancy philosophical obfuscation notwithstanding. "Human nature" means the most sensible, rational, consistent, and functional classification of human beings, because we share certain attributes as human beings. Our human nature might not be timelessly fixed, although this we cannot now say. We do know, however, that it has been stable for all of recorded history and more. The exceptions can all be explained by reference of unfortunate incapacitation, injury, and so forth, making some persons difficult to treat normally. This, of course, does have an impact on how to apply human rights theory when we deal with them. But there are some borderline problems in all areas of concern, even in mathematics. Such lack of perfection in our scheme of understanding human beings and politics by no means warrants accepting as normal the confusion that now reigns on the topic.

The story, in its uncorrupted version, would take long to tell. Much discussion would be needed to do justice to many of the earnest concerns that can be voiced about natural rights. Basically, however, the point is well related in the Declaration of Independence. From the point of view of political authority—the legitimate use of force—all of us are equal. This requires that others, including governments, refrain from physically intruding upon us. The law is to serve the purpose of making sure that any intrusion is dealt with justly and efficiently. Beyond that, there is much of great concern to us in our lives, in our family relations, work, community, culture, and so forth. But those are not matters of relevance in human rights theory and discourse.

Professor Jeffrie G. Murphy observed that "The more one attempts to go above the minimum to assert something more substantial [than "minimum floors," i.e., basic provisions] as a matter of right, the more one runs the risk of developing a list of 'rights' which are either so economically expensive to support or so morally intrusive to enforce that no sane society will in fact support or enforce them." This is the result already, one must observe, of what Murphy calls the "knee-jerk liberal temptation to multiply rights beyond necessity."[36] Governments are burdened beyond any prospect of extricating themselves from bankruptcy,

36. Jeffrie G. Murphy, "Rights and Borderline Cases," *Arizona Law Review,* Vol. 19 (1977), p. 240.

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citizens are beginning to see themselves even in the United States as permanent wards of the state, and the road is paved for the inevitable cynicism which follows having misconstrued what is morally and legally possible to aim for in human social life. Slowly, too, men and women are beginning to see themselves not as individuals with the responsibility to carry forth with life and the need for principles defining the scope of this responsibility, but rather as helpless victims of circumstances entirely beyond their own grasp and control.

But this self-perception is wrong by any objective account of human history, and this is also beginning to dawn on many citizens throughout western societies. Even the intellectuals are catching on. And a revival of a sensible idea of natural human rights will go some distance toward helping us along the desperately needed recovery process.

37. I wish to thank the editors of *Policy Review* for their valuable advice in connection with the preparation of this essay. I elaborate some of the arguments in this essay in my "Rational Choice and Public Affairs," *Theory and Decision,* Vol. 12 (September 1980), pp. 229–58. For a more detailed explanation of the particular implications of a strict natural rights theory for some areas of public policy, see my "Some Normative Considerations of Deregulation," *The Journal of Social and Political Studies,* Vol. 3 (Winter 1978), pp. 363–77. Others doing work along these lines include Professors Eric Mack of Tulane University, Peter Danielson of York University (Canada), Roger Pilon of Institute for Humane Studies, Menlo Park, California, *et al.*

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An Anti-Business Business Magazine

STEVEN LAGERFELD

The cold political facts of the matter are that most right-wing free-enterprising members of the Republican Party are high-income WASPs who see government as a threat to their ability to hang on to what they already have.

In this year's [1980] election, the American people expressed a profound disappointment and discontent rather than an endorsement of any specific program.

A conscious effort to revitalize the U.S. economy is the only alternative to the nation's industrial decline. The necessary steps require nothing short of a new social contract between business, labor, government, and minorities.

Bluntly, Podhoretz's book [The Present Danger] is mostly an inflated piece of 1950's style cold war hysteria.

Guess which major national magazine these statements appeared in during the past two years. *The Nation*, perhaps? A petulant *New York Review of Books? The New Republic* on a bad day? *Mother Jones?*

No, these quotes come from *Business Week*, the nation's most widely circulated business magazine. And they are not unrepresentative of what the magazine has been telling its readers for the past few years. Of course, such views are hardly uncommon in our national media, and would not be worth noting at all were it not that they appeared in a business magazine. As accustomed as one may have grown to the media's general hostility to the moral standing of capitalism and business and to the ideas that support a free society, one always assumed—and I am sure the readers of *Business Week* assumed—that one could turn to the business press for a fair hearing, if not some measure of support, on these issues.

People who turned to *Business Week* were sadly mistaken. Indeed, if anyone in the business community had relied solely on *Business Week* for information and ideas about politics, culture, and economic theory over the last few years, he would have been almost utterly oblivious to what much of the rest of the country

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was thinking. This hypothetical reader would have awakened on November 5 a sort of intellectual Rip Van Winkle. He would have heard of, say, supply-side economics, but dismissed it as "snake oil." He would have recoiled from those "variously shallow, negative, inconsistent, self-promoting, sometimes dishonest, often meanspirited critics of American society," the neoconservatives. He would live in deathly fear of a revival of the cold war. And so on.

Not that *Business Week* has nothing to offer its readers. Its excellent hard-news reporting—in areas ranging from developments in high technology to experiments in new ways of managing work—is unique and indispensable. The body of the magazine is devoted to such reports. And when *Business Week* sticks to the facts, it can do little wrong. Even when it doesn't, good sense often prevails in isolated pockets of the magazine. The editorial page, to cite one of the few examples, often takes positions directly contrary to what is written in the rest of the magazine. The editors, one suspects, do not often agree with their staff. Indeed, one wonders whether the editors even read the magazine, for *Business Week* has all the markings of a magazine gone out of control.

Where objective reporting shades over into editorializing, whether in the news sections, book reviews, or commentaries, *Business Week* takes on a very unbusinesslike character. It is hostile to the market, oblivious to communism and other threats to freedom, and unfriendly to the spirit of a free society. These traits emerge not so much in the explicit positions the magazine takes (for it is a news magazine above all) but through its implicit polemicizing for a package of values, standards, and outlooks inimical to American society. *Business Week* has brought the "adversary culture" to the business world.

One can begin by looking at the simplest of issues—the market. Sad to say, *Business Week* has little faith in this mechanism. Its attitude is perhaps best summed up by the senior writer who wrote, "Businessmen will find Michael Harrington's new book, *Decade of Decision*, about as welcome and plausible as a businessman of 1880 would have found a futurist description of what our economy and society looks like today. But they had better read it anyway."[1] Of course, the writer goes on to the rather meek conclusion that although Mr. Harrington makes an "appealing case" for socialism,

1. *Business Week*, April 7, 1980. All further dates refer to issues of *Business Week* magazine.

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his arguments are "not persuasive." In other words, Mr. Harrington may be wrong about socialism, but he is right about markets—they are antique. As another reviewer advised the author of *Manias, Panics, and Crashes:* "[Charles] Kindleberger and his colleagues should abandon their blind reverence for the market and focus attention on its possible flaws as well as on its obvious virtues."[2]

Indicative Planning

There is more than mere fatalism in this position. In a huge special issue entitled, "The Reindustrialization of America,"[3] the magazine spelled out just what it had in mind for the American economy. Now for most businessmen, even for most economists, "reindustrializing" America probably does not pose a grand theoretical problem—one gets inflation under control and removes as many governmentally imposed burdens as possible and takes other practical steps toward providing a stable framework for economic growth. Essentially, industry "reindustrializes" America. But *Business Week* takes a more sophisticated tack. Business management is too "short sighted" to do the job. Indeed, "corporate America's protestations to the contrary, many—maybe most—of the typical company's problems have been internally generated." What is needed, it says, is "a remodeling of what the 18th century philosopher Jean-Jacques Rousseau termed the 'social contract' that brings individuals together to form a society. Each citizen, wrote Rousseau, contracts to bind himself under the 'general will' for the common good. It is the nature of that general will that must be altered."

This is an exercise in revisionism that takes ones breath away. Suddenly, the coercive collectivism of Rousseauvian political theory replaces traditional decent individualism as the philosophical basis of American society. This clears the magazine's path of bothersome obstacles like freedom; the way is clear for a society directed by the all-powerful "general will."[4] How will this be done? *Business Week* cites four factors needed to make the plan

2. June 19, 1978.
3. June 30, 1980.
4. *Business Week* also suggests that in the new order of things, "Each group's income must be related firmly to its economic achievement." This will no doubt surprise those who thought that this was already roughly true, or that it was individuals (firms or people) that ought to be rewarded for economic achievement, not groups.

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work: it must include "agreement among leadership groups," it must recognize "new world economic realities," it must be "fair," and, "at the governmental level, it must include indicative rather than specific planning." That sounds more like one point and three applause lines.

The substance of "reindustrialization" does indeed come down to "indicative" planning. Decisions will be arrived at by agreement of the parties to the new social contract—variously composed of government, labor, business, minorities, and public interest groups at different points in the magazine. Government, of course, will be only an equal partner. "The idea of industrial planning under government auspices stirs legitimate concerns because of the danger that government, since it is sovereign, would in the end resort to coercion. . . . A plan acceptable to all interest groups, however, would be far preferable to the current practice of having the government keep its hands off until it becomes necessary at the last moment [to bail out failing industries]." The point of the new social contract is in fact to arrive at "a plan and a process for determining which industries are to be encouraged and [which] are not."

At one point, a Carter administration official is quoted as explaining, "What we need is a basic philosophy for a selective national industrial policy. Someone has to look at the totality of industry structure and develop a comprehensive strategy including taxation, trade, investment, manpower, resources, and technology." On the steel industry, *Business Week* says, "A rational plan calls for shrinking the industry somewhat through policies that encourage the elimination of the least efficient mills." In the old days, of course, most of these matters would have been left to markets.

Business Week is not entirely clear about what form "indicative" planning would take. It repeatedly and vaguely refers to the Japanese and German "examples." In the concluding editorial (which, with its traditional overtones, again almost sounds as if the editors hadn't read the material they were commenting on) it is allowed that, "If necessary, an institution comparable to the Reconstruction Finance Corp. of the 1930s should be set up to channel credit into reindustrialization." In the more militant main body of the issue, the writers are far less willing to offer specifics. The only indications of how "indicative" planning might actually work are conveyed through quotes. Representative Richard Bolling (D-Mo.) "now talks of putting together a new coalition that

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could pass a fundamental piece of legislation—analogous to the Full Employment Act.... With this act as a centerpiece, additional legislation would be passed to achieve such a [reindustrialization] goal, regardless of who was president." Representative Henry Reuss (D-Wis.), financier Felix Rohatyn, and a Carter Labor Department official are also quoted, calling more vaguely for a "cooperative approach," a "temporary national economic commission," and a "continuing forum," respectively.

Why is *Business Week* so vague about what is, after all, the summation of an 86 page effort? Is it hiding something? Maybe. More likely it is because the editors and writers responsible for the issue don't really know themselves what they want. They do know what they *don't* want. What is really bothering them when they write things like, "Bred during a century of American preeminence based on the exploitation of an internal frontier, American attitudes are not suited to a world economy that has become increasingly integrated," is the market, that unwieldy, unpredictable beast. Better to substitute the "general will" for the untidy proceedings of a free society.

Homage for Thurow

The magazine's distaste for the market is shared by Lester Thurow, author of the Left's major contribution to the economic debate last year, *The Zero-Sum Society*. Mr. Thurow published his book to great acclaim in certain circles, none more enthusiastic than *Business Week*'s review.[5] Indeed, the publisher of the paperback edition of the book put a *Business Week* blurb on the cover: "A ruthlessly honest, tough-minded book on what it will take to restore the U.S. economy to full health."

Lester Thurow has some sensible things to say. He recognizes that regulation has become too great a burden on the economy, for instance, and he believes the corporate income tax distorts business incentives and ought to be abolished. He is willing to trust the market that far—to promote the efficient functioning of individual firms—and so is *Business Week*. But that is about the end of it.

On the really big issues, however, the market is not to be trusted. "To compete we need the national equivalent of a corporate investment committee," Mr. Thurow writes. "Major decisions have become too important to be left to the private market

5. May 12, 1980.

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alone, but a way must be found to incorporate private corporate planning into this process in a nonadversary way." Sound familiar? It even turns out that a major function of this committee would be to decide which are "sunset" and which are "sunrise" industries. Indeed, placing Mr. Thurow's book and *Business Week's* special issue (published only shortly before the book) side by side results in a peculiar dyslexia. The "very good economist who has the potential of someday becoming a great one"[6] could have written the special issue himself.

The *Business Week* review of *The Zero-Sum Society*—not only one of the most enthusiastic reviews of the Thurow book in the press, but by far the most glowing the magazine has given in years—addresses a number of points that are skirted in the "Reindustrialization" issue. Mr. Thurow's main argument is that the United States has become "zero-sum society": in an era of chronic slow growth, as the reviewer puts its, "society as a whole can't get more unless some key economic group gets less." The investment necessary to promote growth "can no longer be financed out of increments to income, as it could in the days when everyone's income was growing rapidly." Lowering tax rates won't help, Mr. Thurow believes, because to be effective cuts would have to be targeted on the wealthy only, and the burden on the less well off (60 percent of the population) would actually have to increase. This is the essence of the zero-sum game: change is impossible because every gain means a loss for some group that simply won't stand for it.

"Calculations that produce less lurid results can easily be imagined," the *Business Week* reviewer notes, "But there is no way of escaping Thurow's basic point: A zero-sum society that has become flabby must make hard decisions on income distribution." For a business magazine, this is a curiously meek acquiesence. But there is more. The reviewer proceeds approvingly to lay out Mr. Thurow's tax and redistribution programs briefly, including his call to "Generate a large surplus in the federal current-account budget and use the money for capital projects. . . ." To be distributed, one imagines, through the "institution comparable to the Reconstruction Finance Corp." alluded to in the "Reindustrialization" issue.

Zero-Sum Enterprise?

It is not surprising, then, that *Business Week* has been steadily beating the zero-sum drum in the business community. Less than

6. May 12, 1980.

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two months after the special issue, it was at it again. In an article on "the implications of oil company profits,"[7] it looked at the "mind numbing" growth of the industry's profits. "What seems to be happening is something like a zero-sum game in which the process that brings wealth to the oil companies takes it away from other sectors of the economy." This "maldistribution," *Business Week* worried, might have all kinds of dire effects, including higher inflation, reduced efficiency, and generally slower economic growth as the oil companies sopped up much of the capital available for investment. Predictably, the oil companies' bonanza is now over, and *Business Week* and the rest of the media can no longer blame them for the economy's ills.

One of the high points of *Business Week*'s zero-sum thinking was its cover story on "The Shrinking Standard of Living" earlier that year.[8] Recalling the past glories of the American economy, it proclaimed, "But the golden age of the consumer is over. The U.S. standard of living is shrinking." Inflation, OPEC, declining productivity, higher defense spending ("which will. . . push inflation even higher, and doom any chance that America will get a tax break") had permanently ended the age. "In the wake of these blows, the American credo that each generation can look forward to a more comfortable life than its predecessor has been shattered." The article then goes on to sketch out in miniature the zero-sum scenario—declining rates of saving and investment, the futility and inequity of tax cuts, the "fight over income shares." It even raises at length the specter of a radicalized labor movement—bound, no doubt, to scare most businessmen into thinking a little more receptively about "a new social contract." "When the nation's economic pie was growing faster, it was easy to give up some helpings for defense, foreign aid, welfare, and care of the elderly. The great squeeze on income will mean wider conflict."

Given these zero-sum predilections, it is easier to understand *Business Week*'s hostility to conservative ideas. Still it is quite a spectacle to see a leading business magazine pushing a leftist agenda and attacking conservative thinkers and conservative ideas is if they were the devil incarnate. But that is what *Business Week* does. Nowhere is this bias more pronounced than in the magazine's book review column: one of the few places in *Business Week* where staff writers get a byline for their work, and where their

7. August 18, 1980.
8. January 28, 1980.

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prejudices are allowed what is, apparently, unchecked expression. Consistently, conservative intellectuals and other natural allies of the business community, whom businessmen should logically be urged to read, are vilified or ignored in these pages; liberals and radicals get a great deal of attention and tender, respectful treatment. The march of history and the weight of morality are always assumed to be on their side.

During the years in which it was mounting savage attacks against conservative writers, *Business Week* was recommending books like *The Lean Years*—a limits-to-growth style tract by Richard Barnet of the Institute for Policy Studies ("should be read, but read with caution")—and Ralph Nader's *Taming the Giant Corporation* ("a book that no one interested in business and public policy can afford to ignore"). Occasionally, it indulged in rhetoric more hysterical than that of the authors whose books it was reviewing. The reviewer of Vance Packard's *The People Shapers* breathlessly announced: "The plight of the individual in the face of onrushing technology has never been more precarious. Scientists now have within their means the ability to bind a person's will, to program his behavior . . . in short, to dehumanize him."[9] Sometimes, *Business Week*'s reviewers joined with the authors in trouncing business. A denunciation of agri-business, *Three Farms*, was introduced to *Business Week*'s readers this way: "The big-money boys have begun to invade American farming—and the results are likely to be about as pleasant as the itch of dried clover under your belt at haymaking time. . . . Inefficient, Manhattan-size farms, on which the only consideration is a suitable rate of return for dentists . . . will sooner or later drive food prices above rightful levels."

Scorn for Capitalism's Supporters

I have already mentioned *Business Week*'s rapturous reception of *The Zero Sum Society* and its tender regard for Michael Harrington. Let us turn now to the magazine's treatment of another book, Irving Kristol's *Two Cheers for Capitalism*.[10] Irving Kristol is, of course, one of the few major American thinkers who has attempted anything like a moral defense of capitalism in recent years—a project that is, to the leftist mind, a morally indefensible

9. November 28, 1978.
10. May 8, 1978.

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undertaking. It is an occasion for reviewing the author, not the ideas in question. So, too, at *Business Week.*

"With friends like Irving Kristol," the reviewer begins, "capitalism doesn't need any enemies." Indeed, he continues, Mr. Kristol is not a neoconservative at all, but a "neo-Marxist"! (The portrait that dominates the center of the page is captioned: "Irving Kristol: A neo-Marxist view.") The evidence for this bizarre assertion is that, "The Marxian concept of class conflict is central to his thinking." Even worse, it appears that Mr. Kristol is a less than honorable man because he supposedly does not recognize his debt to Schumpeter and, of course, Marx. Still, Mr. Kristol is a "deep cut" below their level; his thinking is an "amalgam of innuendo and banality" compared to Schumpeter's "generosity of spirit and grandeur of vision."

One of the things that distinguishes Mr. Kristol from forebears like Schumpeter is his understanding of the character of what he calls the "new class"—the journalists, bureaucrats, and others who arise under affluent capitalism and eventually turn against it. Schumpeter predicted their coming (without using the "new class" phrase) and thought they would turn to socialism. Irving Kristol, on the other hand, does not think they have. The reviewer even quotes him on the "hidden agenda" of the new class: "to propel the nation from that modified version of capitalism we call 'the welfare state' toward an economic system so stringently regulated in detail as to fulfill many of the traditional anticapitalist aspirations of the Left."

This draws the reviewer's fury. He writes, "Kristol plays a dangerous and, perhaps unwittingly, odious game in accusing liberal intellectuals of having a hidden agenda of socialism." Of course, Mr. Kristol says nothing about socialism in connection with the "hidden agenda"—he is very careful, actually, to avoid the word. He explains that it is anti-capitalist *values* (such as those harbored at *Business Week*) and not socialism *per se* that concern him.

The reviewer's charge is false and of a familiar type. The rule for the Left is: when a critic strikes too close to home, question *his* integrity and avoid the spotlight. Accuse the critic of witch-hunting and question his "odious" and dangerous motives. All of this, by the way, from a reviewer who goes out of his way to identify himself as one who holds "essentially monetarist, Chicago-school views about economics" to establish his credibility. Imagine the perplexity in Chicago when, three years later, the same William

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Wolman (by then deputy editor of the magazine) won a magazine industry award for editing *Business Week*'s special issue on "The Reindustrialization of America."

Most conservatives aren't treated to this kind of vilification in *Business Week*—they simply aren't reviewed at all. But neoconservatives get special attention, as they do in more classically left-oriented publications. When Peter Steinfels' critical study, *The Neoconservatives*, appeared, the *Business Week* reviewer took him to task for being too generous. Again, the reviewer launched into a fierce *ad hominem* attack. The neoconservatives are far more "shallow, negative, inconsistent, self-promoting, sometimes dishonest, often meanspirited critics of American society"[11] than Steinfels says, he suggests. Mr. Kristol is once more singled out for attack for daring to defend capitalism. The neoconservatives' insufficiently critical attitude toward corporate power exposes them "to charges of superficiality, irrelevance, even of self-aggrandizement and hypocrisy. When Kristol, for example, urges businessmen to support social thinkers who defend business, he stops just short of listing his address and telephone number."

At least one conservative did get a kind word in *Business Week* in the past few years. In reviewing Milton Friedman's *Free to Choose*, the reviewer (William Wolman) distinguishes Mr. Friedman from "most right-wing free-enterprising members of the Republican Party," who are "high-income WASPs who see government as a threat to their ability to hang on to what they already have."[12] What saves Milton Friedman? It turns out that he has the redeeming virtue of being a "right winger with left-wing values." Mr. Friedman is the only conservative who, in the reviewer's eyes, "opposes government because he sees it as the principal threat to the ability of the poor and minorities to get ahead." Again, it is made clear that it is nearly impossible to be a businessman or a conservative and have any moral standing: the Left has occupied all the high ground. Milton Friedman passes muster at *Business Week* because he does not go beyond this belief in markets to make moral claims for capitalism that challenge the Left's hegemony of values.

This idea is explicitly addressed in Charles Lindblom's "significant contribution to social theory," *Politics and Markets*.[13] Mr.

11. August 13, 1979.
12. January 21, 1980.
13. December 26, 1977.

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Lindblom, a self-identified democratic socialist, "lambastes business while lauding markets," the reviewer notes approvingly. How exactly one can have markets without businesses is not explained, but it doesn't really matter. The crucial point is to establish the culpability of business: "Business wields disproportionate economic power, which in turn gives it undeserved clout in political decision-making." This, after a decade in which business was practically roasted on a spit by government and the press.

Business Week seems glad to have a fireside seat. It calls *Politics and Markets* "critically important reading for the corporate executive." Mr. Lindblom "argues his case with such clarity and objectivity as to endow his thesis with astonishing force." This is part of a pattern at *Business Week*—urging its business readers to fill themselves with the ideas of the critics of business and capitalism, and to ignore or dismiss more sympathetic thinkers. It is almost as if *Business Week* sought to stuff an apple in the mouth of business as it turned on the spit.

Markets, corporations, capitalism—anyone with such little faith in these things could scarcely be expected to exult over supply-side economics. As it did with so many of the other ideas that have won wide support among the public—and in the browbeaten business community—*Business Week* opposed supply-side economics to the bitter end. In what was to become the magazine's unspoken motto, its economics editor wrote, "The economics profession...thinks Laffer would have done well to leave the napkin [where he supposedly first drew his famous curve] behind for the waiter to dispose of."[14]

Of course, a good number of economists and businessmen have been opposed to supply-side economics, especially to the original Kemp-Roth tax cut that called for tax cuts without corresponding spending cuts. *Business Week* has been in the forefront of these forces, issuing particularly bitter denunciations of the idea on a regular basis. In a 1979 editorial, for instance, it called Kemp-Roth a "subterfuge" and went on to say: "It does not identify the specific budget cuts that will offset the loss of revenues. Instead, it substitutes a statement of pious hopes and good intentions for hard decisions."[15]

14. August 7, 1978.
15. February 5, 1979.

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Attacks on Supply-Side Theory

But the magazine has also gone well beyond these economic talking points. Something of the flavor of *Business Week*'s opposition is conveyed by the cover story it ran three years ago, "California: Will It Choke Off Its Boom?" The article announced: "With their approval on June 16 of Prop. 13...Californians have threatened the strength and stability of the boom and have raised serious doubts about the state's ability to accommodate future growth...Now the problems of providing jobs, housing, energy, water, transportation, and a pollution-free environment for hordes of newcomers must be faced in an era of draconian limits on government spending and widespread suspicion of government's motives."[16] Now this represents a novel proposition regarding economic growth, especially for a business magazine. Apparently, what is wrong with the Laffer Curve is that it faces the wrong way; the best way to stimulate growth, it would appear, is to *raise* taxes.

This may not actually be *Business Week*'s view of the matter, but one suspects that it is not far from it. For in a world of indicative planning and social contracts, viewed from the lofty heights of a national investment planning committee, what could be less worthy than to worry about the little ants who actually do the economy's work? *Business Week* doesn't even like to think about them. It has consistently misrepresented supply-side economics and Kemp-Roth as demand-side ideas. As late as November 3, 1980, it could remark that candidate Ronald Reagan was "seeking to spur growth with huge, planned budget deficits...."

At times, *Business Week*'s opposition to supply-side economics appeared to take on the character of a campaign. One of the first *Business Week* treatments of the subject sought simultaneously to discredit the idea and to appropriate it through confusion. Thus, in a kind of "we're all supply-siders now" gesture, it noted, "One reason the concept of supply-side economics is gaining wide acceptance is that it is broad enough to encompass a wide spectrum of views."[17] Even Arthur Okun and Walter Heller, two liberal economists, may be part of the club, it turns out. Literally anyone with any concern for supply is caught in this generous net. The article also suggests that the supply-side school does not pose much of a threat to the Keynesian orthodoxy. Unlike demand-

16. July 17, 1978.
17. September 17, 1979.

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side economics, "supply-side economics still lacks a unifying theory. It is, in a sense, still looking for its Keynes." (One suspects that most supply-siders would claim Adam Smith as their Keynes.) It went on to predict that a deepening of the recession would drive Congress to enact business tax cuts "combined with some version of a demand-swelling tax cut for individuals. For the turn toward supply-side economics is not so much a turn away from Keynesianism as a necessary reminder of its proper limits." That was the article's last word on the subject.

Business Week worries a good deal about the status of Keynesianism. Just a few months before, in an article called "Harvard fades in economics,"[18] it chided the university for failing to maintain its tradition of macroeconomic superiority. "In the great debate over government intervention in the economy, the banner for activism is still being waved on the banks of the Charles River—but at MIT, not at Harvard." This prompted a succinct reply from a Harvard graduate student, who noted, in a letter to the editor, "*Business Week* seems a peculiar forum to bemoan the decline of the opposition to the free market."[19]

In one of its few other forays into the academic world, *Business Week* took on the National Bureau of Economic Research, which is headed by Martin Feldstein, a Harvard economist. "The new NBER: Has scholarship been hurt?"[20] granted that Mr. Feldstein had "turned a stodgy, somnolent institution into a powerhouse of economic investigation and analysis" in his three-year tenure. The problem, as *Business Week* saw it, was that Mr. Feldstein was taking the NBER down an academic version of the supply-side road, putting "at risk" its "60 year reputation for impeccable scholarship, strict impartiality, and avoidance of partisan policy debate." The article also mourned the NBER's tradition of macroeconomic research, which it said was now being largely forgotten. Mr. Feldstein, it was suggested, had "politicized" the NBER. Indeed, the editorial page took the opportunity, in an editorial titled "Maintaining the standards," to sermonize, "Some observers have confused Feldstein's own zealous advocacy of 'supply-side' economics with the research role of the organization itself. Critics charge that its reputation for objectivity is being compromised."

The occasion for the article was a controversy described earlier

18. April 16, 1979.
19. May 28, 1979.
20. October 6, 1980.

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and at length in the magazine's "Economic Diary" section ("A spectacular debunking of Social Security's critics") as well as in the article. In an important 1974 study, Mr. Feldstein had found that the existence of Social Security depressed personal saving in the United States by as much as 50 percent, because individuals expected to rely on the program for much of their retirement income. Two Social Security Administration economists had set out to challenge him, and indeed had argued not only that Mr. Feldstein was wrong, but that Social Security actually caused an *increase* in personal saving. Mr. Feldstein acknowledged that he had made a programming error in his original study and "crashed out" (as *Business Week* put it) a corrected study. The revised estimate put the loss in saving at 40 percent, which "puzzled" the Social Security economists.

As *Business Week* itself admitted, the effect of Social Security on saving is still an "open question." But it is curious that in challenging Mr. Feldstein's credibility, the magazine accepted without question the assertions of two government employees whose findings were, to say the least, counterintuitive. Add to that the facts that the original Feldstein study was carried out before he was named to head the NBER, and that such disputes are hardly uncommon in the academic world (Edward Banfield called the constant refutation of leading academics by younger scholars the "fastest-gun-in-the-west effect"), and one begins to wonder about *Business Week*'s sudden concern for "maintaining standards."

Business Week's perversity is not confined to business and economic issues. When it ventures into other realms the same strange streak shows itself time and again. Its expanded coverage of women's issues, no doubt undertaken in response to the growing number of women in business, is, for instance, laced with the usual clichés. The nineteenth century is identified in one book review as "the most oppressive time for women in American history."[21] In another review, readers are assured that the protagonists' acts in *Victorian Murderesses*[22] can be understood in political terms.

The Cold War Bugaboo

But the magazine does not often have occasion to wander into coverage of social issues. Its main field of interest outside business

21. February 4, 1980.
22. April 18, 1977.

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and economics is foreign and defense policy. Here, *Business Week* exhibits more schizophrenic symptoms than on any other issue. Its "International Outlook" section, a regular feature made up of several brief reports, is often sensible and informative. Outside of these pages, however, anti-anti-communism and other liberal-chic articles of faith prevail.

The cold war is *Business Week*'s main bugaboo. The phrase appears often in titles as a kind of ominous portent. Thus, a special report on "The New Cold War Economy" warned of the dire economic consequences of a strong defense policy: "If the Administration is impelled to push defense spending even harder, it will have to . . . resort to mandatory wage and price controls and perhaps a system of materials allocation. Of course, these are the trappings of a wartime economy. . . ."[23] In another major article on "rearmament" the magazine expressed doubts about America's ability to find the industrial capacity and natural resources for the task "barring the declaration of a national emergency."[24]

Almost exactly a year before, the magazine had pointed with alarm to "A hardware bonanza for defense" in an article's title.[25] "Congress is only beginning to comprehend the disparity between the fat defense budget and the leanness of all other spending," it said, noting that the 6 percent increase in weapons spending was twice the general increase in defense spending. "Elsewhere in the budget, the picture will be bleak." Closer to election time, though, many of our problems seemed to be over. "Missiles, missiles, missiles"[26] reported on the new generation of extremely accurate "smart" missiles which destroy tanks, planes, and other targets. Indeed, the new missiles made these weapons so obsolete, *Business Week* said, that the United States would not have to worry about developing new tanks and aircraft after the 1980s. The missiles were "so smart they will change the face of warfare and supply the equalizer for outnumbered U.S. forces in any military showdown with the Soviet Union."

Business Week would like to forget the Soviet threat altogether—any mention of it is likely to be branded "cold war hysteria" and discarded. In reviewing Norman Podhoretz's *The Present Danger*,[27] a *Business Week* writer accepts the premise that "Ameri-

23. January 21, 1980.
24. February 4, 1980.
25. January 29, 1979.
26. August 11, 1980.
27. August 18, 1979.

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can power has suffered serious setbacks in world affairs," and admits that defense spending must be increased. But the real threat to our power arises not from the Soviets, but because "the U.S. finds itself fighting today in global trading markets with political allies for crucially needed exports at the same time that it is wholly dependent on the goodwill of a few Mideastern sheiks. . . ." The Soviet threat, by contrast, is "narrow Russian imperialism that existed well before communism and would not disappear even if communism vanished." Better to forget the "cant" of containment and the "tired ideas of old cold warriors." In a review of Robert Shaplen's *A Turning Wheel*,[28] communism is finally wished away completely. The reviewer professes to be annoyed by the suggestion that a "common thread" unites the revolutions in Asia over the past thirty years—it "does not exist," he says. "[It] is not communism that will topple the dominoes, but the poverty, corruption, and repressive governments that most Asian governments do have in common."

That is a typically fatuous reversal. Later, the reviewer of Malcolm Cowley's *The View from 80*[29] agrees with the author's assertion that "the intransigence of Neanderthal politicians and old guard capitalists pushed the young of the 30s to communism." The late George Meany was excoriated for years in the pages of *Business Week* for his "obsession with communism." An April 17, 1978 article scorned the AFL-CIO because it had "dusted off a cold-war strategy to battle Eurocommunism" and withdrawn from international labor organizations with communist members. The time had come to rejoin, the article suggested.

In these foreign policy and defense articles, *Business Week* is merely retailing the same set of attitudes it indulges in other issues. It assumes the march of history and progress favors the Left and falls in. Defenders of the free society or of capitalism, are deprived of moral standing and hung with epithets, like "cold warrior," while the moral slate is wiped clean for those who truly are indictable. Of course, for the Left in America anti-communism has always been out and anti-capitalism has always been in. If one dares to speak the unspeakable and suggest either that communism is essentially a bad thing and capitalism generally a good thing, one commits a terrible breach of the prevailing etiquette.

In the past few months *Business Week* has moderated its tone

28. October 22, 1979.
29. October 20, 1980.

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somewhat. George Gilder's *Wealth and Poverty*, for example, was greeted unenthusiastically but respectfully in the magazine's book column. Another article suddenly declared in its title that supply-side economics was "A new look in economics." But these are small tokens indeed. And given the well-entrenched views that have prevailed at the magazine over the years, it is hard to view them as much more than tokens. *Business Week* has been performing a tremendous disservice to its readers in undermining and attacking the very ideas and values that give their work meaning and moral status. But its moral blindness—its failure to subject the foes of the free society to the same kind of withering scrutiny it turns on its friends—is a deeper and more troubling flaw. *Business Week* has a legacy of intellectual bankruptcy that a few prudent post-election gestures alone can not possibly redeem.

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Beyond MAD-ness

KENNETH ADELMAN

A new consensus on strategic policy seems to have emerged in the dying days of the Carter administration and the opening days of the Reagan administration. That new consensus is as misunderstood as it is momentous.

This new consensus arose ironically from the nation's deliberations over SALT II. SALT II proved most valuable in highlighting America's worsening strategic posture in the early 1980s. Without a treaty to debate, few would have noticed or cared. The nature of the American government, culture, and media dictates that attention be paid to singular, usually cataclysmic, events rather than continual processes which lack a neat beginning and end. Just as it took maddening gas lines to spur action on the problems of energy supply limitations and demand excesses, so it took SALT II to spur thought—and later action—on the looming strategic imbalance. History will judge SALT II's main contribution in such terms: as setting in motion pressures which, over time, could redress the strategic balance.

Any adverse shift in the strategic nuclear balance would have political and diplomatic consequences in the future, as the past illustrates. Paul Nitze has pointed out how during the 1961 Berlin Crisis, local U.S. conventional forces in Germany were clearly inferior to those of the Soviet Union; yet the mere existence of overwhelming U.S. strategic superiority played a key role in a favorable resolution of that affair. During the 1962 Cuban Missile Crisis, the U.S. had superiority in both local conventional and strategic forces; this crisis, too, worked out well from our standpoint. During the 1973 Middle East crisis, the superpowers' local and strategic forces were more evenly matched; the result was a compromise.

It would certainly be guileless to expect the Soviet Union to be the first nation in history to achieve deployed military superiority and not try to exploit it for political purposes. Moscow considers strategic power the fulcrum upon which all other levers of influence—military, economic, and political—rest. Immediately after the Cuban Missile Crisis, Soviet Deputy Foreign Minister Kuznetsov told President Kennedy's advisor, John McCloy, that the

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U.S. had won this round. But he warned, "Never will we be caught like this again." Almost immediately, the Soviets began a sustained and impressive buildup of offensive strategic missiles. By 1969, there was widespread recognition that the U.S. was in the autumn of its strategic superiority. Today, Americans can hope for strategic equality at best.

In retrospect, the logic of American leaders on strategic matters is most peculiar. At first there was a prevailing belief that the United States would never lose strategic nuclear superiority—not because of any actions on our part but because of inaction on the part of the Soviets. They would most conveniently cop out. In 1965, sitting right in the Pentagon, Secretary of Defense Robert Strange McNamara waxed eloquent on how "the Soviets have decided that they have lost the quantitative" strategic arms race and, better still, "are not seeking to engage us in that contest." Lest the audience somehow miss the point, he added, "There is no indication that the Soviets are seeking to develop a strategic nuclear force as large as ours."

Sadly, the Soviets did not cop out. So the tune was changed. Secretary McNamara and others then maintained that strategic stability was possible only on the basis of *equality* between the two superpowers. Since the U.S. had clear strategic superiority at that time, the policy was for America to remain fairly static in strategic arms (with Vietnam eating up defense increases in any case) while the Soviets built up their arsenal. When Moscow had at last caught up—so the argument went—then an equitable and durable arms control treaty—one freezing this equivalence—was possible.

This belief was so powerful that it infected the hardline Republicans as well, even years later. In 1971, President Richard Nixon's foreign policy message to Congress told how "the United States in 1969 regarded the Soviet's drawing abreast to the U.S. in strategic capabilities as an opportunity...an opportunity to establish meaningful strategic arms limitation objectives."

All such notions are less peculiar when considered as part of an intellectual package on strategic matters, which was fashionable for a time. Surely this is not the place to review the whole history of changes in U.S. strategic doctrine, which has responded to shifts in the American political current as well as changes in the technical U.S.-Soviet military balance. But the MAD doctrine, that of mutually assured destruction, is so central to the emergence

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of the new strategic policy consensus that it would be delinquent not to mention it.

Basically, that doctrine, enunciated by Secretary McNamara in the mid-1960s, held that the superpowers' nuclear weapons deterred each other since their population centers were open to devastating retaliation. Offensive weapons, especially those that could survive a surprise first strike by the enemy, were encouraged. Defensive weapons, which protected population centers, were discouraged.

The Decline of MAD

As time passed, this doctrine became less and less credible. This strategic policy served to deter American officials, perhaps even more than Soviet officials. With growing Soviet strategic power and no American defenses, our cities lay fully open to Soviet attack or even to threats issued during any type of conflict.

Second, the doctrine slowly lost support since Moscow seemed unenamored of its logic. The obvious Soviet drive to acquire a first-strike capability against U.S. land-based missiles—something unexpected in the McNamara scheme—inevitably led to the conclusion that Moscow was working hard on the capability to fight a limited nuclear war. The truth is simply that the Soviets do not accept the prospect of mutual vulnerability, as shown by their emphasis on large and redundant air defense and civil defense systems. Rather, they seem convinced of the political and military utility of strategic arms, particularly of strategic superiority. The latest edition of the Soviet military encyclopedia bears this out. The Soviet Chief of Staff writes therein: "Should the Soviet Union be thrust into a nuclear war, the Soviet people and armed forces need to be prepared for the most severe and protracted trials." Soviet forces "will have definite advantages" in such a war, which "creates objective possibilities for them to achieve victory." This type of talk is quite incongruous with any variant of MAD.

Third, and related, MAD was thought to narrow an American president's options in time of crisis too severely; the Soviets' doctrine provided far more options for its leadership. This was key. A critical element of military doctrine and force planning aims is to provide political leaders with the widest possible range of options for future contingencies. By persistently expanding their strategic nuclear capabilities in a war-fighting mode, the Kremlin leaders were assuring a wide range of options for future actions. By can-

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celling and deferring U.S. strategic nuclear capabilities, American leaders have been narrowing their own range of alternatives.

Fourth, MAD was rendered impractical by technological advances. The country's previous and existing nuclear forces—land- and sea-based missiles and B-52's—were developed more than twenty years ago and lacked the accuracy to threaten small and/or hard Soviet military targets such as missile silos. Systems now coming on stream (such as the Navy's Trident submarine-launched missile and the MK 12A warhead for the land-based Minuteman III force) are better able to hit military targets. This will be even more true with the advent of future systems, such as the MX missile system and the cruise missiles, both able to undertake very precise attacks. Hence attack on an opponent's cities and economic centers was not the only strategic option.

This disenchantment with the MAD doctrine led into the new consensus. In the fall of 1980 (before his election defeat), President Carter signed secret Presidential Directives (PD) 57 and (PD) 58, which dealt with improved planning for crisis mobilization and better protection of U.S. leadership during a nuclear attack. They were soon overshadowed by a Presidential Directive (PD) 59 on nuclear strategy, which produced banner headlines around the world.

PD 59: A Pivotal Change

PD 59 had long been in conception. In his 1979 *Posture Statement,* Defense Secretary Harold Brown called for forces capable of precision attacks against Soviet military targets as well as all-out retaliatory blows against cities, whereas during 1976 and 1977 both Secretary Brown and President Carter had expressed doubts about equipping American forces for limited nuclear attacks. While President Carter long remained skeptical about theories of limited nuclear war, Secretary Brown questioned the wisdom of threatening all-out retaliation against Soviet cities. "A strategy based on assured destruction alone no longer is wholly credible," he wrote. Therefore Secretary Brown had declared a new "countervailing strategy: designed to deny gains to Moscow at any level of nuclear conflict, ranging from small-scale missile attacks to major retaliatory blows." The Secretary spoke of the American strategic arsenal in terms of its *military* effectiveness to threaten *military* targets, and of the need to find "countervailing strategy; and seek to plan and provide for use of nuclear weapons, if neces-

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sary, in militarily effective, controlled, and flexible ways." This, indeed, is the nub of PD 59.

This directive moved U.S. strategic doctrine away from emphasis upon targeting the Soviet recovery economy toward more emphasis on targeting Soviet political and military entities. Their destruction could cripple the Soviets' ability to wage and win—and not just to recover from—a nuclear war. These targets include national and regional political command centers, military command posts and communications centers, and nuclear and conventional forces themselves. This change was made in recognition of the fact that Soviet leaders cherish most dearly not the cities, or the economic base, but the levers of control—keeping the political system, the military forces, and the military-related economy intact and functioning at their command. A successful strike against military and political control targets would reduce the Soviets' ability to project military power abroad and to sustain political authority at home.

Regardless of causes or comparisons with previous doctrines, PD 59 has important consequences. First and foremost, its issuance gives official blessing to existing reality in the world. This is important in itself, for it bolsters those forces in the bureaucracy responsible for limited-war planning and procurement. Before PD 59, many of them were working on the sly; now they can conduct their affairs in broad daylight with full backing when obstacles arise.

Second, the presidential blessing has the same effect in Congress and among the public. This is particularly true with PD 59, since it was leaked at a time (right before the Democratic National Convention) which gave the document enormous press coverage. Such publicity helped resolve a primary problem in United States strategic affairs: the continuing lure of the MAD doctrine on the minds of those in academe, in local and state politics, and in Congress.

Third, PD 59 provides reassurance to prime U.S. allies around the world. While there have been no hearty cheers from European capitals, the allies did display a modicum of contentment (if not relief) over the whole affair of issuing the directive. As well they should. Colin Gray and Keith Payne have pointed out that those planners who had championed the MAD doctrine and espoused the option of massive retaliation after a Soviet nuclear attack had nothing relevant to tell a president facing a conventional defeat in Europe or in the Persian Gulf. Their strategic environment existed only in peacetime. They could recommend some limited,

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symbolic options, but nothing truly effective on how to deter a large Soviet conventional thrust.

And this is absolutely critical. For the credibility of extended U.S. deterrence depends on the Soviet belief that the U.S. would indeed risk nuclear escalation on behalf of foreign commitments. In other words, U.S. strategic forces do not exist solely to deter a Soviet nuclear attack or an attack against the United States itself. Rather they are intended to support a range of U.S. foreign policy goals, including the commitment to preserve Western Europe and even parts of the Persian Gulf against overt aggression.[1]

Fourth, the new doctrine will spur and spawn newer and better offensive nuclear weapons. Foremost among these will be the MX, or some other form of land-based missile based in a fashion which is not vulnerable to a Soviet first strike. Also spurred will be the case for a new submarine-launched missile and follow-on manned bomber, be that a revived B-1 or the "Stealth" bomber now in an early R&D phase.

New Needs For Weaponry

These needed programs, and suggestions for more needed programs, encounter the prime objection to PD 59: that the new doctrine cannot be implemented with given U.S. technology and given Soviet defenses. Indeed, sources in the Strategic Air Command (SAC) contend that selective targeting cannot be implemented with acceptable chances of success until 1986 at the earliest. All the more reason to plunge ahead with the latest strategic offensive weapons, PD 59's proponents will claim.

Furthermore, PD 59 will give an enormous boost to the development of communications gear to allow a president to engage in precision nuclear war. Essential for U.S. strategic posture is an assured command, control, and communications (C3) system—a system which is currently in rather poor shape.

Fifth, PD 59 will give impetus to more intelligence equipment and even to the resurrection of defensive systems. In order to carry out this new strategy with a likelihood of success, the U.S. would have to know the location of likely targets, including leadership bunkers, in the midst of undoubted chaos. This would require more sophisticated spy satellites and other kinds of intelligence-gathering systems.

The most politically volatile issue will be the push for defensive strategic systems. At present, the U.S. has no ballistic missile defense and effectively no civil defense. U.S. air defense is capable of guarding American airspace only in peacetime. Largely be-

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cause of the MAD doctrine, the strategic case for ballistic missile defense and civil defense has not been considered on its merits for more than a decade.

With the fall of MAD will come the correction of this oversight. Proponents of missile and civil defense advocate that the U.S. match the Soviet efforts to acquire the capacity to fight a prolonged nuclear conflict. Some experts contend that in the early 1990s, the U.S. can have a new generation of interceptor rockets with non-nuclear warheads. Others say the R&D points toward a nuclear-armed antiballistic missile system which could protect the MX against a first strike.

A reinvigorated ABM program is seen by many as a means to address and redress the primary strategic problem of the 1980s, namely the vulnerability of U.S. land-based missiles. It is ironic that the 1970s opened with high hopes for strategic arms control, which soon culminated in the ABM treaty. The decade ended with low expectations for arms control and serious consideration of scrapping the ABM treaty.

But many persons argue that the primary strategic problem is *not* the vulnerability of U.S. land-based missiles at all. These thinkers contend that the strategic triad—of air-, sea-, and land-based missiles respectively on manned bombers, submarines, and ICBMs—which has been in existence since the dawn of the nuclear age—has now become anachronistic. The most reasonable among them advocate a dyad, or an air- and sea-based nuclear posture. In essence, they wish to push the U.S. deterrent out to sea.

This line of argument is wayward. Submarine-launched missiles (SLBMs), even the Trident II missiles, are no substitute for a land-based ICBM force. SLBMs cannot achieve the degree of accuracy, nor the rapid retargetting capability, of land-based missiles. Both factors are critical for an effective deterrent force in the 1980s and 1990s, since it is high accuracy and virtually instantaneous retargetting that will enable the U.S. to threaten individual Soviet missile silos. Submarines, in the present state of the art, are also relatively unreliable in command, control, and communications. The President's instructions in a time of an actual crisis may be lengthy and complicated. They must not be interrupted, as could well happen when they are transmitted via radio out to sea, especially to submerged submarines. Such interruption is virtually foreclosed by using cables and back-up systems on land, to command the land-based ICBM force.

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In a nutshell, a submarine missile force is capable enough for city-busting in an all-out nuclear exchange—obviously the only type a MAD approach envisions. But it is not adequate for threatening a missile silo in a limited exchange against hardened military targets—the type of capability a PD 59 approach dictates. Moreover, scrapping the land-based leg of the U.S. deterrence would send a powerful signal and change perceptions. In a realm so dependent upon perceptions as the strategic balance, this is a risky venture. A decision *not* to modernize the ICBM force may well be perceived by the Soviets and others as a U.S. acceptance of strategic inferiority—at the very least, inferiority in the one major area of Soviet strategic power.

The triad's longevity is not reason enough for its prolongation. However, it has endured for all these years for good reason. The existence of three mostly independent systems means redundancy, diversity, and flexibility in U.S. strategic power. It vastly complicates Soviet defense planning and leaves elements of the U.S. nuclear force as a reserve force in time of conflict.

Margins of Safety

President Reagan has advocated a "margin of safety" for the United States, including of course the overall strategic balance. But the problem pressing his Administration is not the development of such a "margin" but in fact the removal of the Soviets' looming "margin." For the nuclear balance has tipped decisively since the 1950s and 1960s when the U.S. led the U.S.S.R. in almost every measure of strategic power, including numbers of missiles and bombers, warhead totals, and overall weapons performance. That day has ended, and decisively.

In March of 1980 the U.S. intelligence community concluded that the Soviets will have an edge over the U.S. in every major measure of strategic nuclear power over the next several years, if not until the end of this decade. This conclusion is not as stunning as it may initially appear. In the 1970s, the Soviets acquired an advantage in such measures as numbers of missiles and total payload. The United States long held the lead in the number of warheads—in January of 1980 Secretary Brown's *Posture Statement* placed the U.S. total at 8,000 and Soviet total at 6,000—but this lead is due to fade. According to U.S. intelligence, the U.S. total is likely to remain steady at 8,000 until mid-decade while the Soviets will push ahead with an anticipated 16,000 by 1985.

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It should be pointed out that these latest CIA estimates come against the backdrop of staggering CIA errors, compounded over fifteen years, in estimating Soviet forces and intentions in strategic weaponry. As explained in detail elsewhere,[2] beginning in the 1960s the CIA embarked upon a consistent *under*estimation of the Soviet ICBM buildup, missing the mark by wide margins. Its estimates became progressively worse on the low side. In the mid-1970s the intelligence community underestimated the scale and effectiveness of the Soviets' multiple independently targetable re-entry vehicle (MIRV) programs. Even more important, Soviet warhead accuracies that have already been achieved—and that have equaled U.S. accuracies—had previously been estimated by American intelligence to be unattainable before the mid-1980s.

The errors apparently continued. William J. Perry, formerly the top Pentagon research and development official, told *The Washington Post*[3] how the Soviets surprised the U.S. intelligence community by demonstrating in late 1970s that they were improving the accuracies of their heavy missiles (SS18s and SS19s) even before they had deployed the next generation of missiles. "I have to admit I was quite surprised" and this new finding "gave us a new sense of urgency, told us we were caught short," Dr. Perry said.

One hopes that the revitalized CIA under William Casey will nevermore allow U.S. policy-makers to be "caught short." And one hopes that the emerging consensus over strategic policy will allow the U.S. president to have measured and rational options for U.S. national security and foreign policy measures. The less varied and competent U.S. strategic forces are, the less flexible becomes the planning and execution of American deterrence. The U.S. should be prepared (and be seen to be prepared) to put our strategic forces into limited play in limited crises that may arise in the wider world, such as the Berlin Crisis of 1961 and the Middle East War of 1973. U.S. forces should not be fashioned solely for the most remote crisis of all: that of an all-out U.S.-U.S.S.R. nuclear conflict. Unless the United States has (and is seen to have) strategic forces supple enough to respond in balanced measure, key allies can only discount the nuclear umbrella. That, needless to emphasize, would be a most unwelcome development.

2. Robert F. Ellsworth and Kenneth L. Adelman, "Foolish Intelligence," *Foreign Policy*, No. 36 (Fall 1979), pp. 147–159.
3. *The Washington Post*, December 14, 1980.

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Racial Classification: Politics of the Future?

L. H. GANN AND ALVIN RABUSHKA

One of America's greatest challenges concerns the question of civil rights. Past discrimination stains the pages of American history; racial discrimination persists today—albeit in a more covert fashion than in the past. The courts have taken a major part in rectifying injustice; the Supreme Court persists in the admirable endeavor to give *de facto* as well as *de jure* equality to our country's citizens.

No man of good will can quarrel with the Supreme Court's aim. But the methods currently followed may have consequences as yet unanticipated by the interpreters of our law. The Supreme Court closed its 1980 docket by upholding a federal law, passed in 1977, which requires that 10 percent of all federal works contracts be set aside for business firms operated by members of racial minorities. According to the Court's majority, Congress may discriminate in favor of some racially defined group that has suffered from prior discrimination. In the case of *Fullilove v. Klutznick*, the Court has further endorsed affirmative action programs that include minority admission on special terms to universities and job quotas set aside by employers for minorities. The Court has agreed to hear additional cases that may extend the quota principle for jobs and government subventions to minority groups.

Individual Rights

Affirmative action programs have subtly begun to change the entire tenor of American life. In the past, appointments and promotions to government service positions, government contracts, admission to universities depended—at least in theory—on individual achievement. Evasions and abuses there were aplenty. Both Catholics and Jews, for instance, once were subject to academic discrimination, not to speak of widespread and malignant discrimination against blacks. But at least the principle of individual merit went unchallenged, and after World War II became increasingly effective in its enforcement. Recent court actions, administrative decisions made by powerful bureaucrats,

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and the changing climate of academic opinion have helped to create a new concept of group rights of a kind familiar to countries like Northern Ireland, Lebanon, Cyprus, and the former Austro-Hungarian empire, where ethnic affinity counted as much as personal merit in the incessant competition for jobs.

Such concepts even started to affect hiring for the federal civil service. The federal government, to give an example, engages a substantial number of college graduates for higher-level positions such as customs agents and tax adjusters. Candidates for such positions used to be chosen by the so-called Professional and Administrative Career Examination (PACE) which—all the experts agreed—provided well-qualified candidates for technical jobs. For a variety of educational and sociological reasons, minority candidates performed less well—on the average—than candidates of other racial origins. Under pressure from political activists within the Carter administration and from career officials within the Justice Department, the old system was abolished; quotas were set up to achieve a 20 percent minority employment figure. (Once the Reagan administration had come to power, the quota provisions were eliminated.)

Opportunity Targets

The enthusiasm for filling quotas is also revealed in a succession of documents issued within the Department of Health and Human Services (HHS). The Department's instructions for "setting affirmative action targets under the Operations Management System" (dated April 1, 1980), and issued by the Assistant Secretary for Personnel Administration within HHS laid out, with Germanic thoroughness, the extent of "under-representation," and at the same time set up a complex system of "opportunity targets." The instructions issued contained mathematical formulations that might test the ingenuity of a doctoral candidate. For example, "to reach parity in 'T' years," the department set an equation whereby target hiring rate percentage equalled

$$\frac{d/T + L}{EOs}$$

(d = current deficiencies; L = expected loss; EOs = employment opportunities).

This directive was followed on June 3, 1980 with a memorandum issued by the Assistant Secretary for Management and Bud-

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get in HHS. Each operating section component of HHS was instructed to determine the precise percentage of "under-representation" of particular minorities and women within the GS 1-8, GS 9-12, and GS 13-15 grades of the civil service, compared with the National Civilian Labor Force. As soon as the department had decided that any group was under-represented in any particular grade, the department set for itself a percentage target to rectify the position.

Subsequent inquiries showed that there was under-representation among blacks, Hispanics, Asians, American Indians, women, and handicapped persons in one or more of the different gradings of the civil service. The investigators also found, however, a disproportionate over-representation of blacks and women in the GS 1-12 grades, which ran from double to quadruple that in the National Civilian Labor Force. However, HHS issued no directives to take over-representation into account. If the employment opportunity targets were met for particular minorities in all under-represented grades, the net result would be minority over-representation in the entire HHS staff. To be fair and to assure symmetry, blacks, women and other minority group members would have to be let go from jobs they currently hold. At least such is the implication of HHS's affirmative action targets policy.

Defining Minorities

The substitution of ethnic affinity for personal merit is a dangerous precedent. But court action raises the even more vexing question of how minority members should be defined in law. As court rulings affect an ever increasing part of the American economy, and as ever growing sums will be disbursed for the benefit of qualified minority members, the problem of defining who is, and who is not, a member of a minority will become increasingly urgent. How can unscrupulous members of the majority otherwise be prevented from claiming benefits reserved by law for minority members? If quota chiselling and quota cheating should come to parallel in extent present welfare chiselling and cheating, we shall have to rethink past assumptions.

At present, minority applicants for jobs or federal contracts identify themselves as such. But can applicants be trusted fairly to do so in the future? To ensure that only blacks, Hispanics, Asians, and Native Americans receive the benefit of court rulings, will it become necessary for the courts or the legislature to define

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minority members by law? Will some mechanism have to be found to select groups no longer eligible for minority classification, (say Japanese Americans, whose average family incomes now exceed the whites'), or to include new groups (immigrant Haitians, Cubans, Laotians, and Vietnamese)? Classification by race is not a new problem, and it is one that even the most explicitly racially-oriented regimes have had trouble in solving.

What fraction of black ancestry determines black eligibility? 100 percent? Three quarters? One-half? One-fourth? How important are phenotypical characteristics, such as type of hair, darkness of skin, eye color, and so forth? If a dark-skinned Appalachian with curly hair claims to have discovered his blackness, should his claim be denied? If it is to be denied, it must be on some legal criterion of racial classification to guarantee equal protection under the law.

The definition of "Hispanics" is even more difficult. Should Mr. Gomez, a native of Madrid and graduate of Spanish university, be classed as Hispanic? If so, should Mr. Gomez, born in Lisbon, be denied the same privilege? Are only those Hispanics already lawfully resident in the United States eligible for the quotas, or do the set-aside opportunities also extend to later immigrants, lawful and unlawful alike. Are Hispanics only those of Mexican and Puerto Rican extraction, or are Cubans, El Salvadoreans, and all Latin Americans eligible?

Above all, what happens to persons of mixed ancestry? Suppose, for example, that Andrew Maclean of Scottish descent, married Miss Maria Gomez, of Mexican origin. Are their children eligible under the one-half rule, even if they have blue-eyes, and speak no Spanish? How about Mr. John Alvarez, who has one Mexican grandfather? Should he be classified as "Hispanic," even though he happens to be a member of the WASP establishment in a small city in Iowa? How is descent to be traced? Through the father's line, as in traditional societies? Or would such a practice conflict with the feminists' demand for equal rights?

Racial Classification

If we are to implement our court rulings, we shall willy-nilly be forced to adopt an explicitly defined legal status of race. In the past, the Nazis developed an elaborate system of racial classification based on the Nuremberg Laws enabling the authorities to define with lunatic precision "Aryans," "Quarter Jews," "Half Jews,"

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and "Full Jews." The Nazi scheme was, in the literal sense of the word, a matter of life or death for those caught within its chains. The Soviet Union's existing system of ethnic passports is somewhat more benign in intention; it does, however, enable the Soviet authorities to define with precision who is or is not a Ukrainian, a Jew, a Lithuanian, or a Russian—with all the attendant disadvantages that such a scheme may entail for the Soviet citizens thereby affected.

Still better known is the case of South Africa. The South Africans have much experience in dealing with the difficulties entailed by racial classification. They can and do distinguish between Mr. Andries Joubert, and Afrikaner (thus white) with dark complexion and curly hair, and his namesake, Mr. Johannes Joubert, a Colored (and thus designated non-white), despite his wholly European appearance. In the past the United States itself used a crude system of racial classification to intern Japanese Americans during World War II—despite all requirements of equity.

We do not live in Nazi Germany, the Soviet Union, or South Africa. To the man in the street, a national system of racial classification in modern-day America seems inconceivable. But if we are to implement existing court rulings we must adopt an explicitly defined status of race, despite all its inconsistencies. At present such classification need only be of a voluntary kind, applied merely to those competing for a federal contract with minority-designated job quotas or for public employment. As court rulings put millions of jobs and billions of dollars at stake, the system will, however, have to be extended to prevent "inequities" and "confusion." Racial slots moreover will have to be defined with increasing exactitude. To accomplish this task, we shall require a vast bureaucratic machine where patronage will be profitable and will surely be linked to racial politics.

We have already gone a long way on the road to racial classification. Standard Form 181 (7/80), U.S. Office of Personnel Management, FPM Chapter 298, entitled "Race and National Origin Identification" is written in a language quite familiar to a South African. Who is white? "A person having origins in any of the original peoples of Europe, North Africa, or the Middle East, except persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish cultures or origin. . . ." Who is Hispanic? "A person of Mexican, Puerto Rican, Cuban, Central or

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South American, or other Spanish cultures or origins. Does not include persons of Portuguese culture or origin." Who is black? "A person having origin in any of the black racial groups of Africa, except Hispanics."

These definitions have a spurious air of exactitude. In fact they raise more questions than they solve. North Africans are classed as "white." But who is a North African—a Mauritanian, an Egyptian, a Moroccan? Some Moroccans have origin in the "black racial groups of Africa," and some have light skin, or European appearance. Are they both white? An Algerian is clearly "white" under the present classification, however swarthy his complexion. A blonde Castillian or a red-haired and blue-eyed Uruguayan, on the other hand, do not count as "white;" they rank as "Hispanics," together with Puerto Ricans of the darkest, as well as the lightest hue. A Portuguese from Braga in Northern Portugal is a "white," whereas a Gallego, born across the border in Vigo in neighboring Spain, absurdly counts as a "Hispanic." A Brazilian is "white," but not an Argentinian or a Mexican?

Identification Guidelines

All such classification schemes are bound to be absurd in their anomalies. But the trouble does not stop there. Such schemes are also bound to become increasingly complex as new ethnic pressure groups come into being, and as an expanding federal bureaucracy has more manpower available to tackle new tasks. In summer 1979, the Subcommittee on Civil and Constitutional Rights of the U.S. House of Representatives Committee on the Judiciary requested detailed information on the numbers of minorities and women serving in the federal judiciary. Despite the fact that court rulings are largely responsible for the minority data gathering requirements imposed on private institutions and other governmental agencies, the judiciary itself had never kept any records that would identify its workforce along racial lines. To collect these data for the Subcommittee, the Administrative Office of the U.S. Courts issued a series of guidelines to all courts. One particular guideline, issued on August 23, 1980, illustrates the fears we entertain. This guideline promulgated a requirement that federal court employees and judicial officers must thereafter be identified according to a listing of "race/national origin" that included the sub-groups "Arabic" and "Hebrew." The new subgroups were to be based, in the words of the circular, "on ethnic, not religious

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factors," a definition that would have delighted the heart of Alfred Rosenberg and other Nazi theoreticians of "racial science."

The document is a sorry "first" in American history. As Senator Moynihan pointed out, this was the first time that the federal government had ever asked that "Hebrew" employees be thus identified.[1] Fortunately, the agency's request aroused an unanticipated degree of opposition. A new circular, issued to all Equal Employment Opportunity Coordinators on September 26, 1980, thus backtracked, on the grounds that "the breakdown of the category 'white' to reflect the semitic [sic] subgroups designated as 'Arabic' and 'Hebrew' would not be necessary in the future." This information had been requested merely "in anticipation of a possibility that it might be needed in the future." The agency, however, did not even consider the possiblity that such racialist identification might be politically divisive, morally objectionable, and unacceptable to any legislature. To go further, the logic that compels a "Hebrew-Arabic" distinction among semitic peoples could force distinctions among the Irish and English, Norwegians and Danes, Poles and Czechs, until an ethnic-religious-linguistic-racial encyclopedia would be officially sanctioned.

Employee Compliance

But the racial classifier's troubles do not stop at this point. What happens when an employee refuses to classify himself in a racial fashion? Or, worse, what does an agency do when an employee deliberately furnishes a "wrong" classification. The tortured language of the "Conversion Procedures for Agencies, Attachment 1 to FPM Ltr. 298-10" from the Office of Personnel Management, dated August 17, 1980, reveals the extent of bureaucratic perplexity. If an official refuses to provide the data required by the agency, "then the agency is authorized to and will identify the employee's race or national origin as that which the agency visually perceives to be the correct classification for the employee." In other words, the agency will decide as to Mr. Lopez's "Hispanic" or Mr. Muhammed Abd al-Aziz's "white" status by looking him straight in the eyes!

If the employee provides what is evidently "wrong" information, the bureaucrat faces even greater difficulties. In such a deplorable case "the agency will counsel the employee as to the

1. (*Congressional Record; Proceedings and Debates of the 96th Congress,* Second Session, v.126, 24 November 1980, no. 165)

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purpose for which the data are being collected, the need for accuracy, the agency's recognition of the sensitivity of the data and the existence of procedures to prevent its unauthorized disclosure." If the employee, however, proves obdurate and sticks to his chosen classification, the agency is bound to accept it. To the bureaucratic mind, however, this is a troublesome privilege; if it were to be widely exercised, it would surely wreck the entire affirmative action program which such classification schemes are designed to serve.

Group Rights

If present trends continue, we may expect increasing refinements in racial classification; we may look to their increasing use; we may anticipate growing bureaucratic discretion in their application. It would be an ironic turn of fate if compliance with court rulings and administrative regulations, inspired by the most impeccably liberal sentiments, should compel us to elaborate a system of racial classification of the kind embodied in South Africa's passbook or in Nazi Germany's *Ahnenpass*.

West German law-makers have since learned from their country's unhappy past. The German armed forces, for instance, at various times in the past discriminated against Jews. Now discrimination is illegal. Jews are promoted in the German army—not through compensatory quotas—but through personal merit alone. A number of Jewish career officers are known to serve in the German military. But no one knows exactly how many, for the German constitution wisely prohibits public officials from inquiring into the citizens' racial or religious affiliation. In this country, we can profit from West Germany's example and—even more so—from our own traditions. The founders of the United States, the point bears repeating, wisely based our political institutions on individual rights. We are now drifting toward a new concept, the concept of group rights, a concept alien to the Constitution, but one increasingly acceptable to academic theory, court decisions, and administrative regulations. If this process is allowed to continue, it will inevitably lead to the fragmentation of American society, until the United States becomes a Lebanon or continental dimension. The time has come to call halt.

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The Geopolitics of Energy[1]

STEVEN C. GOLDMAN
WAYNE A. SCHROEDER

The United States and the Soviet Union are the two largest energy-producing and -consuming countries in the world. During the last decade, the U.S. witnessed a sharp decline in its relative energy position and became dangerously reliant upon foreign imports. This reliance has had profound political and economic implications and has made us think of energy in strategic terms. During the 1970s, the Soviets did not experience severe domestic energy problems and remained major exporters of hydrocarbons.

In the upcoming decade, it appears that America's position will remain extremely precarious. But the U.S.S.R. will also begin to experience rapid deterioration of its energy position and it too will be confronted with severe strategic dilemmas. What are the dimensions of this Soviet energy crunch and what are its implications for the future of the West?

In April 1977, the CIA published a major report indicating that the U.S.S.R. was on the verge of a severe oil production crisis and that Soviet petroleum output will peak no later than the early 1980s.[2] Furthermore, the report projected that Soviet oil production would decline from a high of about 12 million barrels/day (MMB/D) to 8–10 MMB/D by 1985. (Although this original projection for 1985 has been revised upward to 10–11 MMB/D, Soviet oil production is still expected to decline during the early part of this decade.)[3] Currently, the Soviet Union is the world's largest oil-producing country and has been able to maintain its goal of energy self-sufficiency while exporting to both Council of Mutual Economic Assistance (CMEA) partners and hard currency markets. The Soviet ability to accomplish these objectives would be severely constrained if worst-case projections regarding their

1. The views expressed in this article are the authors' and do not necessarily represent the views of the U.S. Government or any of its agencies or departments or the Senate Defense Appropriations Subcommittee, its Chairman, or any of its members.

2. *Prospects for Soviet Oil Production*, CIA, ER77-10270, April 1977, p. 9.

3. *Ibid*, p. 1. See also, "CIA Alters Its Soviet Oil Forecast," *Wall Street Journal*, May 18, 1981, p. 31.

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petroleum industry were to hold true. A major oil production crisis in the U.S.S.R. would have the most profound consequences, because their coal industry is stagnant, their nuclear program is behind schedule, their renewables program (solar, geothermal, wind) is almost nil, and their only prospective bright spot is the gas industry.

It has been argued that the United States should be alarmed by this prospect for the following reasons:

1) *Soviet politico-military pressures on the Persian Gulf.* An energy-deficient U.S.S.R. might seek to solve its oil shortfall problems by applying increased pressure on the key producing countries in the Gulf, which could lead to direct Soviet military intervention.

2) *World oil market considerations.* Even assuming that Moscow refrains from using military force to obtain oil on concessionary terms, its entry into the world oil market would lead to general supply constraints and upward price pressures.

3) *Allied dependence on Soviet energy.* Our NATO allies are dependent upon Soviet oil and gas imports. In order to promote "strategic supply diversification" outside the Persian Gulf, they are seeking to expand greatly their energy relationship with the U.S.S.R. through the Yamal gas pipeline that will link the major gas fields of Northwest Siberia to Western Europe. Since the U.S. has no well articulated or reasonable energy alternatives to offer our allies, and since we support the concept of "strategic supply diversification," the prospect of a Soviet energy crunch is not comforting. Furthermore, it can be argued that the U.S.S.R. is a more reliable supplier than the Arab oil-producing countries because they have refrained from using the price/supply lever in a political context and have treated energy trade as a largely commercial exchange.

Accordingly, many Western experts have argued that the U.S. should sell energy production equipment and technology to the U.S.S.R. in order to help them develop their energy resources.[4] During the 1970s, Moscow imported large quantities of Western

4. See interview with Professor Marshall I. Goldman in *Harvard International Review*, February 1981, pp. 6-7, 30-31.

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TABLE 1

Soviet Imports of Western Oil and Gas Exploration and Extraction Equipment (in millions of dollars)

	Purchases from United States	Total purchases from the West
1972	$ 4.6	$ 19.4
1973	4.3	23.5
1974	.5	9.0
1975	49.5	150.1
1976	40.6	226.5
1977	29.3	121.0

Note: These figures do not include turn-key manufacturing equipment.
Source: Office of Technology Assessment, *Technology and East/West Trade*, p. 239.

oil and gas production equipment, particularly during the latter half of the decade (see Table 1).[5]

There is no doubt that Western equipment and technology plays a key role in the Soviet energy sector. The U.S.S.R. is in need of Western assistance not only to search for new oil but also to maintain current production levels. Most U.S. oil and gas transfers were sales of priority equipment to be used primarily at mature producing fields.[6] Perhaps the most conspicuous energy technology transfer to the U.S.S.R. occurred in 1978 when the Carter administration approved the sale of a Dresser Industries turn-key drill bit factory. Once completed, this sophisticated factory will produce drill bits in sufficient quantity to insulate the U.S.S.R. from the necessity of making further drill bit purchases

5. *Technology and East-West Trade*, Office of Technology Assessment, Washington, D.C., 1979, p. 239. The report notes that "It can be said with certainty that since 1976, the volume of Soviet orders for Western oil and gas equipment has risen significantly...The USSR clearly realizes that it must import this equipment and technology to increase production of oil and natural gas at rates that meet domestic needs and allow it to sell surpluses to Eastern Europe and to the West, thereby earning hard currency."

6. *Preliminary Analysis of U.S. Oil and Gas Equipment Exports to the Soviet Union*, Office of International Security Affairs, Department of Energy, October 1978, p. 15.

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in Western markets.[7] More recently, the Carter administration signalled its support for the Soviet/West European gas pipeline by approving the sale of Caterpillar pipelayers to the U.S.S.R. for use on this project.[8] Despite the other competitive aspects of U.S./U.S.S.R. relations, it has been U.S. policy to support energy development in the Soviet Union in the interest of preserving world peace and maintaining world energy security.

In implementing a liberal export control policy toward the U.S.S.R., American decision-makers uncritically accepted the notion that an energy-abundant Soviet Union is in our best interest. The U.S. has adopted this stance in large measure because American leaders underestimated the broad strategic and security problems associated with the growth of a Soviet energy giant. Unless a potential technology transfer had a direct input into the Soviet military machine, it was not considered as a strategic item. The following written exchange between Senator John Heinz (R-Pa) and former Under Secretary of Defense William Perry pursuant to the 1979 Senate Banking Committee Hearing illustrates this point vividly:

Senator Heinz:

> In your view, would it be in the national interest of the United States to provide the technology necessary to facilitate the development of the energy resources of the Soviet Union, insofar as such technology would not have applicability to the military sphere. . . .

Under Secretary Perry:

> . . . Strategically . . . , the debate is of limited importance. Substantial additions to Soviet oil production would not necessarily increase Soviet military capabilities directly. . . .[9]

7. William J. Perry. *The Department of Defense Statement on the Export of Technology*. Before the Subcommittee on Investigations of the Committee on Governmental Affairs of the United States Senate, 95th Congress, Second Session. 3 October 1978, pp. 6–11, "DOD Involvement in the Dresser Industry Export License Application Case." The Defense Science Board report opposing the Dresser sale concluded that the deep-well drilling technology used to manufacture drill bits for petroleum exploration "is wholly concentrated in the United States." The Dresser factory will have the capacity to produce 100,000 rock drill bits annually, thus clearly giving the Soviets an indigenous drill bit manufacturing capability sufficient to insulate them from Western markets.

8. "Soviets Plan Pipeline From Siberia to Europe," *Washington Star*, November 19, 1980, p. 15.

9. U.S. Congress. Senate. *U.S. Export Control Policy and Extension of the Export Administration Act-Part I*, March 5 and 6, 1979. Hearings Before the Subcommittee on International Finance of the Banking, Housing and Urban Affairs Committee. (Washington, D.C.: Government Printing Office, 1979) p. 148.

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The time has come for us to reconsider this interpretation of a critical issue and to subject the conventional wisdom to closer scrutiny. A multifaceted and compelling case can be made in favor of adopting a restrictive U.S. energy export control policy, and promoting different energy options for our European allies.

In the past, arguments made in favor of restricting U.S. energy exports to the U.S.S.R. have been articulated predominantly in terms of those exports' military utility to Moscow. While this argument indeed has substantial merit, it should be tied in with a series of corollary, supporting arguments concerning the credibility of the Western security guarantee for the Persian Gulf, the negative implications of having U.S. allies dependent upon Moscow for a major portion of their energy supplies, and possibilities for increasing U.S./West European energy cooperation. A macro-political/economic analysis of the strategic implications of energy technology transfer to the Soviet Union will demonstrate that it is in the national security interests of the United States and the West to constrain Soviet energy development during the coming decade while developing an alternative energy security program.

How Important Is Soviet Energy?

Proponents of a liberal export policy maintain that the energy issue is of limited military/strategic importance because the Soviets will always give their defense industry top priority regardless of other considerations. There is no doubt that the Soviet Union considers military priorities before the needs of other sectors, and that the Kremlin has been willing to demand sacrifices from its consumers in order to satisfy the military's almost insatiable demands. However, there is no reason why the U.S. should make the Soviet resource allocation debate easier by selling equipment and technology that the U.S.S.R. has chosen not to develop.

Currently, the U.S.S.R. Defense Minister is in an excellent bureaucratic position to argue in favor of priority allocations of resources and personnel on the grounds that military hardware cannot be purchased in the West—oil/gas production and exploration equipment, on the other hand, is available to the Soviet Union in Western markets. Therefore, given the fact that there are more limited incentives for the Soviets to reallocate resources away from their military sector and into their energy sector, it can be expected that current trends will prevail.

The Soviets have historically been unwilling to reform their

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economic system to provide for indigenous technological innovation in the civilian sector. While Soviet basic science is quite good, the Soviet economic system, based upon overcentralization and the inefficient principles of socialist planning, has stifled technological innovation at the design and manufacturing stages. The U.S.S.R. has not devoted its limited quality controlled resources to peaceful purposes. They have instead sought out technology and equipment transfers from the West as "quick fixes" which can allow them to maintain current economic priorities and continue their military build-up.[10]

The release of Soviet resources for use in the military sector which otherwise could be tied up in civilian-oriented research and development is a profound consequence of past U.S. technology transfer policies in both the energy and industrial areas. As William T. Lee wrote in *Soviet Defense Expenditures in an Era of SALT:*

> Seldom, if ever, has a country been able as the Soviet Union has to persuade the countries against which most of its military build-up is directed to finance so much of it.[11]

U.S. export control policy should be reformulated to make the costs to Moscow for continuing this military build-up increasingly prohibitive. This is not to say that the military will not continue to have first call on Soviet economic resources. Rather, it is meant to force the Kremlin into making difficult judgments as to its long-term priorities. Diversion of Soviet resources toward indigenous energy research and development and away from military expenditure is the first element in this process. Restrictions on badly needed infusions of Western energy equipment and technology will have an impact on Soviet industrial development and overall economic growth. No prudent Soviet economic planner could afford to ignore the political consequences that static or negative economic growth would have on his own position within the Soviet bureaucratic hierarchy. While the Soviet military will continue to be the first priority in Soviet economic planning, it need not have so large or prominent a share. It is in the national secu-

10. For extended discussions of these issues, *see* Wayne A. Schroeder, *Soviet/American Technology Transfer and United States National Security*, Ph.D. dissertation, University of Southern California, January 1981; Mark Miller, "The Role of Western Technology in Soviet Strategy," *Orbis*, Fall 1978; and Wolfgang Leonhard "The Domestic Politics of the New Foreign Soviet Policy," *Foreign Affairs*, October 1973.

11. William T. Lee. *Soviet Defense Expenditures in an Era of SALT*. USSI-Report 79-1 (Washington, D.C.: United States Strategic Institute, 1979) p. 16.

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rity interests of the U.S. to retard the growth rate in Soviet military expenditure by the reasonable means that are available to us.

The Lure of the Persian Gulf

The Soviet Union has had a traditional geopolitical interest in the Persian Gulf which transcends the current world energy crisis. Ever since the days of Peter the Great, Russia has sought access to warm water ports in that crossroads region. Given the growing importance of this area to Western economies in recent times, its strategic value to the Soviet Union has certainly increased. Indeed, the political and economic leverage that would be available to Moscow if they could control or "Finlandize" a key portion of the oil producing Near East could be substantial. U.S.S.R. dominance in that region would enable them to tear apart the Western alliance by having the U.S. and its allies compete for Soviet manipulated oil supplies. In short, the Soviets need no domestic energy crisis to be profoundly interested in this area. Although a domestic oil crunch may make the region marginally more attractive, the key issue regarding security of the Gulf must be seen in the context of the credibility of the Western deterrent and not in terms of energy equipment sales.

The Soviet Union has consistently sought to expand its power and influence in areas where Western resistance is perceived to be low and indigenous opposition to be relatively weak. Soviet penetration of the Near East and adjacent areas has been successful where the U.S./Western security network was insufficient. Recent examples include Angola, Afghanistan, Ethiopia, and South Yemen. However, Moscow has traditionally avoided a direct confrontation course with the U.S. or its allies in areas it knows we consider essential to our security—the areas they are fully persuaded we will defend.

Misunderstandings regarding our intentions have yielded sorry results in the past. The most noteworthy example is in the case of Korea when Secretary Acheson noted that the country was outside the U.S. defense perimeter. It did not take long for the Soviets to pick up on this mistake and ask their North Korean puppets to attack the South. Once the Soviets discovered that the U.S. was prepared to defend South Korea, they disassociated themselves from the conflict as quickly as possible and left Kim Il Sung and the Communist Chinese with the task of fighting the United States. On the other hand, incidences of firm U.S. resolve to prevent Soviet or proxy intervention have often been success-

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ful. The clearest recent example was in the 1973 October Middle East war when former President Nixon put U.S. military forces on worldwide alert given the prospect of a Soviet intervention. The purpose of the alert was served and the Soviets did not enter into the foray.

Given the strategic importance of the Near East, it is absolutely imperative that the U.S.S.R. does not get the false impression that the oil producing states are soft spots, ripe for probing. Selling the U.S.S.R. energy technology and equipment, with the hope that this may keep it sated, could actually give the Soviets the impression that we are unwilling or unable to defend our vital interests by other means.

U.S. efforts to extract a *quid pro quo* from Moscow in return for expanded trade and technology transfers have been unsuccessful. This approach has not served to promote East-West interdependence nor has it served to moderate Soviet geopolitical behavior. Instead, we have witnessed a relentless Soviet arms build-up, Soviet strategic penetration of the Near East and Africa as well as the invasion of Afghanistan. A U.S. decision to retain past export policies will only serve to convince the Kremlin that America is not serious about defending its position in the world when its security interests are threatened. Conversely, a change in our export policies would constitute a firm display of U.S. resolve. The Soviets have limped along under very unfavorable conditions in the past and can face an oil crisis at home if they are persuaded that the costs of imperialist policies in the Persian Gulf are higher than the costs of enduring an energy squeeze which many countries are facing.

Approaches to OPEC

The U.S. should not mislead itself into believing that the oil producing states of the Persian Gulf have any affinity for us. However, rather than meekly accepting a subservient role and earning their contempt as so many Western leaders have done, it should be possible to deal with them on the basis of mutual self-interest: "the enemy of my enemy is my friend." For too long, Western leaders in general, and U.S. officials in particular, have adopted the attitude that the oil producers hold all the trump cards and that the West must passively accept its subordinate position, unable to influence circumstances or events. This attitude must change. It is imperative that the oil-consuming states of the West persuade the oil-producing states of the Persian Gulf

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that cooperation is essential to withstand the common threat. In order to succeed in this diplomacy, we must adopt an activist posture.

First, we should emphasize to the oil producing states that the Soviet Union (whom many of them consider to be a loathsome "godless" regime) represents the chief threat to their security. Western nations have never interfered with their religious practices and have been paying fantastic oil bills without threats or coercion.

Second, we should emphasize that the U.S.S.R. has a strong interest in expanding its power in the region and is already taking advantage of every opening available. Unless the Western countries are able to increase their military deterrent in the region, the day may soon come when the Soviets will feel bold enough to attempt a direct intervention. As Soviet energy problems become more severe, the oil producing Persian Gulf will become an even more attractive target than it currently is. Once under Soviet domination, it will be virtually impossible for anyone to dislodge them. The Afghanistan experience should indeed be sobering.

Third, the Persian Gulf states cannot defend themselves against the U.S.S.R., regardless of the amount of military hardware the West may provide them. The Soviets would easily win any battle against Gulf oil producing states fighting alone. The only way to deter the Soviet Union is to make it obvious that a confrontation in the Persian Gulf would involve the West.

Fourth, since the oil producing states need the West as much as we need them, it does not make sense for them to adopt pricing policies designed to bankrupt those who are protecting the area from Soviet intervention. If Western economies are in dire conditions, they will not be able to increase military budgets to the extent necessary to deter the looming Soviet threat. Therefore, pricing policies which will undermine Western economies do not serve the long term interests of the oil producing countries. Indeed, it is the health of the Western economies and our ability to pay that gives OPEC oil the value it currently commands.

Will Soviet Shortages Affect World Markets?

The impact of the coming Soviet oil production decline upon the world market should not be dismissed, but neither should it be overstated. The U.S.S.R.'s ability to make substantial oil purchases on the world market will be severely circumscribed because of hard currency shortages and limited quality products for

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barter. The Soviets will be compelled to cope with their oil problems by reducing their consumption growth and/or reducing exports to their CMEA clients. (By 1985, it can be expected that Soviet oil sales to hard currency markets will be severely curtailed or perhaps eliminated regardless of Western technology transfer policy. Therefore, the direct impact of a Soviet oil shortage on our allies who currently purchase U.S.S.R. petroleum should not be a consideration. Their dependence on Soviet oil will be minimal at that time.)[12]

Almost half of Soviet hard currency earnings are currently generated by oil sales. In 1978, the U.S.S.R. sold 1.2 MMB/D for hard currency and received $5.7 billion of total earnings of $13.2 billion. In 1979, the U.S.S.R. reduced its oil sales for hard currency to under 1 MMB/D but increased its earnings to about $9 billion of a total of $19.5 billion receipts.[13] The U.S.S.R. was a price taker rather than a price setter and able to increase its profits due to OPEC price increases. Without this hard currency flow, Moscow's financial position would be severely strained. As they continue to experience problems in their oil industry, the Soviets will be forced to make very difficult allocation choices between domestic consumption, concessionary exports to CMEA partners and exports for hard currency. Under almost any reasonable U.S.S.R. oil production/consumption scenario for the coming decade, it seems clear that the U.S.S.R. will be compelled to phase out oil exports to the West because their domestic requirements and the minimum needs of their CMEA clients will have to come first. Without this hard currency flow, the U.S.S.R. will not be in a favorable position to purchase large quantities of OPEC oil at market prices. Although the Soviets profit from OPEC price increases today, the day will soon come when this will not be the case.

During the 1970s, the Soviet Union increased its oil consumption from 5.15 MMB/D to about 8.6 MMB/D and not once during this period did their annual consumption decline (see Table 2).[14] Since the Soviets do not have a significant private transporta-

12. Soviet oil deliveries to the West have been declining and it can be expected that this trend will continue. The Soviet Foreign Trade Ministry informed the Italian Embassy in Moscow that, due to "technical difficulties," USSR oil exports to the West would be reduced 20–25 percent in 1981. *Financial Times*, March 10, 1981, p. 1.

13. *The Soviet Economy in 1978–79 and Prospects for 1980*, CIA, 81-003, ER80-10328, June 1980, p. 17.

14. *International Energy Statistical Review*, CIA, ERIESR, 81-003, March 31, 1981, pp. 24–27.

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TABLE 2

U.S.S.R. Oil Consumption

	Million b/d
1970	5.15
1971	5.46
1972	5.92
1973	6.33
1974	6.79
1975	7.20
1976	7.55
1977	7.9
1978	8.3
1979	8.6
1980[a]	9.0

[a]Preliminary.

Source: *CIA International Energy Statistical Review*, March 31, 1981, p. 25.

tion sector (as we do in the United States), their discretionary use of oil is more limited, as is their potential for conservation. Indeed, oil has been primarily used to fuel the Soviet industrial base and provide for the almost theological principle of economic growth. During the 1980s, the U.S.S.R. will not be able to continue the oil consumption trend established in the previous decade. (If they did, they would consume almost 11 MMB/D by 1985.) Given the limited oil output that they will have available domestically, coupled with their constrained hard currency position, it is quite possible that Soviet oil consumption will not increase at all during the 1980s. Such a scenario will help create substantial economic and social difficulties for the U.S.S.R., a prospect that is not inimical to Western interests.

Soviet Oil Prospects

The Five Year Plan for 1981–1985, which has recently been released, projects that U.S.S.R. oil production will increase from the present level of about 12.0 MMB/D to 12.4–12.8 MMB/D by 1985.[15] This projection indicates that the U.S.S.R. is expecting a

15. *Energy in Countries with Planned Economies*, Volume 4, Number 12, December 1980, pp. 4–5.

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significant deceleration of its oil production growth. (During the 1976–80 period, Soviet oil production increased from 10.39 MMB/D to the 1980 level of about 12 MMB/D.)[16] However, it should be pointed out that the Soviets have not had a good record in recent times of fulfilling their official oil targets. The 1980 target was originally pegged at 12.8 MMB/D but was revised downward to 12.1 MMB/D.[17]

During the next five years, many Western analysts believe that Soviet oil production will peak and possibly decline unless they quickly discover new fields near existing infrastructure. (Inexpensive and easily accessible sources West of the Urals are being rapidly depleted and the Soviets must now look to West Siberia to compensate for the declining output of other regions and provide additional increments to increase overall national production.)[18]

Although the U.S.S.R. may indeed have substantial additional oil resources in West Siberia and elsewhere, it seems likely that major new discoveries will be in permafrost regions and offshore areas. The Soviets have at times referred to Siberia as a "raft floating upon a sea of oil." However, even if this is the case, massive investments and huge front-end capital outlays will be required to exploit this elusive oil treasure chest. The long-term prospects for Soviet oil are uncertain. The prospects for the early and mid-1980s are not good.

If we make the assumption that, in 1985, oil production in the Soviet Union will be approximately 10 MMB/D, and that the Soviets are able to hold oil consumption at 1980 levels (about 9 MMB/D), this would leave them with an export capacity of about 1 MMB/D. Given the high priority that the Kremlin places on the political reliability of its CMEA partners, most, if not all, of this excess would probably go to them. And this would represent a significant *decline* in the level of oil deliveries the CMEA countries are currently obtaining from the U.S.S.R.[19] As former CIA Director Stansfield Turner noted, "There will be strong pres-

16. *International Energy Statistical Review, op. cit.*, pp. 24–27.

17. *Energy in Countries with Planned Economies, op. cit.*, pp. 4–5.

18. *International Energy Statistical Review, op. cit.*, pp. 24–27; also see *Platt's Oilgram News*, December 5, 1980, p. 2.

19. At the CMEA Executive Committee Meeting in Prague, June 1980, former Prime Minister Kosygin announced, "despite difficulties connected with the worsening conditions for crude extraction, annual oil supplies (to USSR's CMEA partners) for the 1981–1985 period will be kept at the high level attained in 1980, and will total close to 400 million tons." Quoted in *Energy in Countries with Planned Economies*, July 1980, p. 11.

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sure to force Europe to share the oil shortage. . ."[20] Other plausible scenarios could be devised in which consumption/production patterns are marginally altered. But in any event, the Soviet oil picture is not bright. The prospects for Eastern Europe are even dimmer, because they are already oil importers.

As noted previously, we do not wish to completely dismiss the impact of the Soviet oil crisis upon the world market. Surely, the Soviets will seek to use their available financial resources to purchase petroleum if the crunch becomes extreme. They will no doubt seek to expand gold and arm sales. However, given the prospect of evaporating oil revenues, it is difficult to envision a scenario in which they will be major competitors with the West for OPEC oil on market terms.

How Will Europe Cope?

The six East European CMEA countries (Poland, Bulgaria, Hungary, East Germany, Czechoslovakia, and Romania) are all facing severe energy problems in the 1980s, and the Soviet oil shortage will serve to exacerbate an already critical situation. Eastern Europe has a very limited indigenous energy resource base and, unlike the U.S.S.R., cannot even hope to produce its way out of the current shortage by increasing investments in the energy area. Every East European CMEA country is a net oil importer including even Romania, which currently produces about 80 percent of East European oil.[21]

Although the Soviets will consider concessionary oil exports to Eastern Europe as a high priority, there are limits to the U.S.S.R.'s export capacity. Indeed, if the worst-case projections regarding Soviet oil production are realized, the U.S.S.R. will have no oil for export at all. A decline in Soviet oil deliveries to East Europe will create major problems within the U.S.S.R.'s Empire because the rising aspirations of the East European people will not be fulfilled. Tension within the Bloc is clearly in the interest of the United States; we have no desire to see the Eastern European countries remain slavishly dependent upon Moscow; problems in the Empire will keep the Soviets bogged down on "in house" matters,

20. U.S. Congress. Joint Economic Committee. *Allocation of Resources in the Soviet Union and China—1978.* Hearings Before the Subcommittee on Priorities and Economy in Government, Part IV-Soviet Union. June 26 and July 14, 1978. (Washington, D.C.: Government Printing Office, 1978) p. 48.

21. *International Energy Statistical Review, op. cit.,* pp. 26-27.

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thereby making it less likely that they will have resources to invest in adventurism outside their current sphere of influence.

The West Europeans have to date demonstrated no desire to restrict the growth of energy production in the Soviet Union. Indeed, they are pursuing a course which will greatly increase their dependence upon Soviet natural gas. Currently, the Europeans are negotiating the largest East/West trade deal in history, as they seek to cooperate with the U.S.S.R. in the building of a 6,000 km natural gas pipeline from Northwest Siberia to Western Europe.[22] The total cost of the pipeline may exceed 11 billion dollars and eventually bring at least an additional 40–45 billion cubic meters (bcm) per year of Soviet natural gas into European markets.[23]

The Europeans are anxious to consummate this project because of the business it will create for their energy equipment manufacturing companies and because they are in need of additional energy supplies. The Soviets are naturally anxious to conclude this deal because it will assist them in developing their energy resources and help them earn hard currency from the West, an important consideration especially if oil sales will be declining. But despite these obvious mutual benefits, there are significant dangers inherent in this project sufficient for the U.S. to oppose its completion.

Once the Yamal Pipeline project is consummated, the Soviets will have a major weapon that can and probably will be used to disrupt the NATO alliance. In the near term, it would not be surprising if the U.S.S.R. refrained from using energy for political blackmail; they need European cooperation for the Yamal project. However, long term Soviet reliability is more questionable.

Once our allies become addicted to Soviet gas, the U.S.S.R. can become a price setter rather than merely a price taker. The Soviets will be in a position to demand their price for natural gas because they will have such a large share of the market. Although the West Europeans are surely aware of the dangers implicit in energy dealings with the U.S.S.R., they are forging ahead with this project because they consider energy alternatives to be so limited. Negotiations have at times stalled and the terms are still

22. For an in-depth discussion of the Yamal pipeline project, *see* Dr. Miles Costick and Marc Dean Millot "The Soviet Gas Deal and Its Threat to the West," *Current Analysis*, Institute on Strategic Trade, December 31, 1980.

23. "Soviet Slip Up," *Wall Street Journal*, January 23, 1981, p. 1, 13.

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very much in question; but it is prudent to assume that the deal will likely be concluded.[24]

In addition to the possibility of price gouging, the Soviets will be in a position to threaten the West Europeans with strategic supply interruptions (for example, in January and February). Short disruptions of this sort would not seriously damage their hard currency flow. In so doing, the Soviets could persuade West Europeans that policies designed to prevent Soviet adventurism in the Persian Gulf would be unwise. Can we really afford to have our allies "Finlandized" to the extent that they are afraid to cooperate with us in defense of our vital interests? Surely, a policy designed to promote West European dependence upon Soviet gas is reckless in the extreme. Indeed, one could argue that it is more in our interest for the Europeans to be dependent upon Middle East energy; it will give them a stake in defending this vital area against Soviet imperialism.

Unilateral U.S. efforts to constrain Soviet energy development would surely be less successful than a concerted allied effort. Therefore, we must persuade our allies that it is in their best long term interest to follow the U.S. lead. But the United States cannot persuade the Europeans to reconsider its policy of growing dependence upon Soviet gas unless we can suggest creative and realistic alternatives. Contrary to conventional thinking, these options do exist.

Reducing European Dependence

The West European countries involved in the current Soviet natural gas negotiations are as a group heavily reliant upon energy imports—they do not have the requisite resource bases to produce their way out of this dependence. Consequently, they have been willing to accept virtually any potential source which meets the criteria of price competitiveness and supply security. Currently, they believe that Soviet energy meets these criteria and the United States has done almost nothing to persuade them otherwise. But other less vulnerable options do exist if the United States is prepared to reorient its international and domestic energy policies. What follows is a comprehensive plan to reduce European energy reliance upon the U.S.S.R., increase U.S./European energy and economic cooperation, and contribute to the strategic security of the United States.

24. *Ibid.*

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1. The United States has a coal resource base of approximately 438 billion tons or about 2 trillion barrels of oil equivalent.[25] These reserves are so large that neither production nor exports will be restricted by availability. Currently, the United States is exporting coal to Europe, and the political decisions necessary to expand this trend must be made. If our European allies are to plan their energy futures based upon greatly expanded coal deliveries from the United States, we must make certain that the adequate supplies will be forthcoming.

The federal government, in cooperation with state governments and the private industrial sector, must take the necessary steps to: (a) expand rail infrastructure, (b) improve port facilities, and (c) trim regulations that discourage domestic production. In order to be effective, such a program cannot be pursued on a piecemeal basis or in a half-hearted manner. These efforts must be highly coordinated because they are interdependent. Indeed, if production is increased, there must be assurance that the rail facilities are available to bring the coal to ports which can accommodate the flow of transport vessels.

In addition to decreasing European dependence upon Soviet energy, a major U.S. coal export program will have a positive impact upon our trade balance and help stimulate growth in our economy. The following option would have a similar beneficial impact upon our limping economy.

2. The U.S. synthetic fuel industry is in its infancy and will require massive investments in order to develop. The natural resources necessary for the development of a major U.S. synfuel industry do exist. As in the case of coal, reserves are not a factor constraining development of the industry. We must encourage our European allies to invest in our long term energy resources rather than tie their future to the Kremlin. Such investments will accelerate the development of the industry in the U.S. and provide greater supply security for our allies. We should, therefore, embark upon a campaign to attract European investment in American synfuel plants and guarantee them a share of the liquid product for their markets.

The American and Soviet energy situations are, in many respects, similar: We both have huge resource bases; we both are exhausting our easily accessible and inexpensive supplies; we

25. *Coal Exports Study*, U.S. Department of Energy, December 1979, p. 5, 27-30. This study highlights various options for increasing U.S. steam coal exports.

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both must make huge investments to exploit remaining substantial resources. Our allies should help us promote the development of these resources and should think twice before making heavy investments in the U.S.S.R.

The U.S., Japan, and West Germany have a history of multilateral cooperation in the area of synthetic fuel technology development. As it becomes increasingly apparent that the Free World will need synthetic fuels as a part of its energy balance, opportunities for investments in the U.S. industry will increase. These foreign investments should be encouraged, not only because they will assist U.S. energy development but also because they will promote greater strategic security for the West.

3. North Sea—particularly Norwegian—natural gas reserves represent a potential major source of energy for Western Europe in the late 1980s to early 1990s. While current Norwegian policy continues to stress conservation of domestic resources, a concerted effort by NATO members might be persuasive in shifting Norwegian government views. Norway is not likely to invest the capital in developing some of its North Sea gas resources on an urgent basis unless the financial incentives are excellent. The United States should, therefore, urge that NATO as an institution invest in the development of the requisite infrastructure to accelerate North Sea gas production and treat the entire matter as an alliance security issue. Given the potential dangers implicit in the Soviet gas pipeline, the development of alternative supplies is just as much a strategic security investment as military procurement. Such a program would not only benefit Norway by greatly reducing the costs of North Sea gas development but would also have a major psychological impact upon NATO and the Soviets. We would be redefining the way we think about the relationship between energy and security.

4. The advent of the Carter administration ushered in a phase of American withdrawal from the international nuclear electric power community. Although this withdrawal was intended to contribute to non-proliferation of nuclear weapons, all that was accomplished was reduced American influence in a field of growing importance. Indeed, only a country that plays an active role in the international nuclear community can have a meaningful impact upon the developments in the field.

The U.S. must seek to re-enter nuclear export markets in an aggressive manner. The Administration should lend political support to U.S. nuclear industries seeking to market reactors in

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Western Europe. Furthermore, we should take the necessary steps to provide reliable enrichment services to our customers and seek to reduce European dependence upon Soviet enrichment.

5. Can the United States help Europe improve its access to natural gas sources outside the U.S.S.R.? Options are available that would improve both our own position and that of our allies. A fundamental change in U.S. domestic and international gas policy is long overdue. Currently, we are discouraging domestic gas production through price controls and encouraging gas imports by allowing other countries to charge more than our own producers are allowed to receive. Accelerated gas price decontrol should help stimulate domestic production and enable the U.S. to decrease its dependence upon gas imports.

To the extent that the U.S. will still need imported gas supplies, we should emphasize regional trade relations rather than long haul liquefied natural gas (LNG) from Africa and elsewhere. Indeed it makes good political and economic sense to maintain close relations with our Canadian and Mexican neighbors and possibly seek to develop an LNG relationship with Trinidad. By emphasizing proximate trade relations rather than long haul LNG deals, the transportation costs of moving gas would be greatly reduced. Furthermore, if we agree to pay high prices for African LNG, it can be expected that Canada and Mexico will seek to obtain equivalent revenues for the gas they sell us.

African gas is more proximate to our European allies than it is to us and can be an incremental alternative to Soviet imports. There are substantial gas resources in Algeria, Nigeria, and the Cameroon which we should encourage our European allies to purchase. These gas supplies would be less expensive for Europeans to buy than for the United States. Furthermore, by refraining from bidding on African gas, we would both reduce the bargaining leverage of these producers by limiting their potential markets to the European theatre and help to create monopsonistic markets.

In spite of the above, the U.S. government has sought to salvage America's faltering LNG relations with Algeria. (The Algerians stopped deliveries in April 1980 under the El Paso project when the company refused a 200 percent price increase.)[26] The U.S. also has an option to compete against our European allies by seeking to purchase LNG from Nigeria. It makes no sense to com-

26. *Implications of The U.S.-Algerian Liquified Natural Gas Price Dispute and LNG Imports*. Report of the Comptroller General of the U.S., December 16, 1980.

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pete against our allies for gas which we do not need and cannot afford at a time when those allies need supplies outside the U.S.S.R. and can purchase African LNG at more reasonable rates than we can. In assessing this problem, the Comptroller General of the U.S. issued a major report on December 16, 1980 which stated that:

> GAO does not believe importing large amounts of LNG from OPEC countries is in the national interest. LNG imports generally trade oil dependence for gas dependence. It makes little sense to increase U.S. dependence on gas at a time when extraordinary steps are being taken to reduce dependence on oil.[27]

We do not mean to suggest that any one of the above options can replace prospective Soviet energy deliveries to Western Europe. But the Yamal line could not be completed before 1985 at the earliest, and we have sufficient time to take steps that will at least mitigate the political/economic impact of this line should it be completed. It is time for us to propose to our allies that they seek to tie their energy future to our resource base by investing in U.S. coal, synthetic fuel, and nuclear technology and services. We must also demonstrate that we are prepared to reorder our international energy trade patterns to provide more gas to their markets from non-Soviet proximate sources. Taken together as a package, these measures could greatly reduce the dangers implicit in European dependence upon Soviet energy.

Given the critical importance of Soviet energy developments to Western security, the United States cannot afford to adopt a passive or reactive posture. Neither can we be insensitive to the energy needs of our allies by suggesting only negative policies—policies designed to restrict Soviet energy development without any positive supply alternatives. The approach we have suggested is both positive and realistic. If adopted, our program can help revitalize NATO, develop closer ties with the oil-producing countries, accelerate U.S. energy proliferation, develop alternatives to increased European dependence on Soviet gas, and meet the security challenges of the 1980s.

27. *Ibid.*

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Tales from the Public Sector

Inside the Labyrinth

It will probably come as a surprise to those who are familiar with the grim statistics of Italy's explosive growth of government spending to know that the country has a very elaborate and sophisticated system of control of public expenditures. Compliance with the old principle "quod non est in actis. . ." in practice means that every decision must go through a long, complex procedure of certification, registration, classification, and control. The effects that this "advanced" system of formal guarantees has on the speed of spending decisions deserve illustration. Here is a personal experience.

In February 1970 I passed the national competition (*concorso*) for Assistant Professor in Economics, and the following month I was appointed Assistant Professor of International Economics at the Faculty of Political Science, University of Rome. I was overjoyed, having waited for that moment since 1964. During those six years I had held an *unpaid* position as a voluntary assistant (*assistente volontario*). At that time, paid teaching positions in Italian universities were so scarce that one had to hope for someone's death to open a new position.

At last, I had finally made it. My enthusiasm was even greater, because holding a paid job allowed me finally to get married, which I promptly did. As soon as I returned from my honeymoon, I went to the Business Office at the University of Rome to cash my first paycheck. The employee looked at his records, asked me to repeat my name, and declared that I was not on the payroll. Seeing my obvious disappointment, he asked when I had been appointed, and grinned broadly at my answer. "Two months ago?" He could not believe my naiveté. He referred me to the Assistants' Office, to which I went immediately.

"Maybe it is just some additional small formality that will be quickly taken care of," I was thinking. The Assistants' Office was closed. A note on the door informed me that the office was open to the public only on "odd" days (Monday, Wednesday, and Friday) from 9am to 12:30pm. Slightly upset, I returned home.

The following morning at 8:30 I was at the Assistants' Office where a long line of people waited behind the closed door. Unlike Englishmen, I hate "to queue," but under the circumstances I was

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willing to stand in line for hours if necessary. Two hours later, when my turn came, I was finally able to explain my problem to a faceless bureaucrat, who listened somewhat impatiently. After I had finished, he gave me, in a didactic tone, what he obviously regarded as an elementary lecture on administrative procedure: "Your decree of appointment was sent to the Ministry of Public Education last week. There, it must be signed by the Minister, after the relevant office has checked its formal correctness. As soon as signed, it will be sent to the accounting office of the Ministry for classification. The accounting office of the Ministry will then send it to Corte dei Conti (similar to the General Accounting Office in the United States) for registration. Once registered, it will have to go to Direzione Generale del Tesoro (a branch of the Ministry of the Treasury), which will then send it to Banca d'Italia. In due time, Banca d'Italia will pay the University of Rome, which in turn will pay you."[1]

I felt tears come to my eyes, but managed to control myself and asked, "And in the meantime?" His voice lowered as he assumed the general attitude of a conspirator. "In the meantime, you may borrow up to 50 percent of your salary from the University. You know," he added, "we are not supposed to do this. It isn't 'normal procedure,' but we understand your problems. So, if you are interested, fill out these forms and give them to me. I'll try to have your loan ready for next month." Ironically, I had to thank him.

Frustratingly long, cashless months went by, and, as Christmas approached, I decided to try to speed these bureaucratic procedures up. Having found out that my file was stuck at the Corte dei Conti, I went there. It was almost impossible to find a parking place in that area. So I "parked" on a sidewalk and ran upstairs. The office was closed. A note on the door announced that the office was open to the public only from 12 to 1pm on "odd" days. Since it was 10am, and I couldn't risk leaving my car on the sidewalk for two hours, I decided to come back another day. The following week I was there at 12 o'clock. . . only to discover a new sign on the door notifying the public that the office was open only from 9am to 10am on "even" days.

Finally, after several other unsuccessful attempts, I managed to see the relevant bureaucrat. "Is my file here?" I asked. He looked at his records, "Yes, it has been here for five months. Are you in a

1. This is an abridged, much shorter version of the true procedure. I have reduced it to its essentials for lack of space.

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hurry?" I didn't know whether to laugh or cry, and barely succeeded in avoiding resort to violent means. But, I did succeed in getting him to process my file that same day by filling out a form for "recommended" cases—a system he had devised to bring attention to files of persons who had some political clout. (He was unable to process all the files he was in charge of, and had to resort to some kind of rationing.)

My problems were far from over, but due to space I'm forced to limit myself. Finally, in August of the following year I was paid—eighteen months after my appointment! I did get all my back pay and could pay back the money the University of Rome had lent me.

You might think that this is an exceptional case. Well, not really. Still drawing from my personal experience, here is another example. In 1976 I passed the *concorso* and was appointed Full Professor, beginning May 1st. The promotion also involved a pay raise. However, it was not until January 1979 that I finally began being paid as Full Professor—thirty-three months to "process" my file.

Bureaucratic slowness, however, is apparently at its best in the case of old age pensions. People who retire from a government job discover immediately that getting their monthly pension from the government is not as simple as they might have thought: it takes between three and five *years* to process the relevant file. Many Italians believe that this is an intentional policy on the part of the government, an effort to try to save money by betting that some of those entitled to an old age pension will die without heirs before receiving it. It is hard to accept this "conspiracy" explanation, because it attributes *intelligence* (even if of an evil kind) to the leviathan. It is much more credible to attribute these episodes to the natural, physiological working of the "visible tentacles" of statism.

Antonio Martino

The Umbrella Factor

The monsoon was in full spate when I arrived in Rangoon. So, guided by an eager taxi driver, I set off at once in search of an umbrella. Our first stop was at a small muddy field, not far from the city center, on which were spread the stalls and tables of a large bustling market. Everything seemed to be on sale from local cloth

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to branded whiskies to refrigerators, even laxatives—usually an unnecessary precaution in that part of Asia and thus a sign that no human need had gone uncatered for.

"This place is impressive," I said. "What is it called?"

"Sir, it is called the black market," replied my guide proudly. "Very many fine umbrellas from Hong Kong and Japan here." And so there were. But the cheapest of them cost $10, rather more than I wanted to pay for five days' shelter. Was there anywhere I could buy a cheap local umbrella?

"Ah, what you want is a price-controlled umbrella. That is about $3, Sir, in the government shops." We returned to the official marketplace in the center of Rangoon and entered a large shop in which numerous assistants superintended the spacious but empty shelves. Yes, they had no umbrellas. But they had heard a bazaar rumour as to where umbrellas might be found.

We set off hopefully for the third time. It was in the fifth umbrella shop that I finally saw with relief a dozen or so black umbrellas hanging down. But my relief was short-lived. These were ladies umbrellas.

"I'm not particular about my reputation in Rangoon. I'll take this one," I said. In vain. Some official regulation about the just sexual distribution of umbrellas stood in the way and not all the untranslatable eloquence of my taxi driver could remove this obstacle. Experienced in such bureaucratic matters, he soon surrendered and led me onto the next umbrella shop where, it was said, umbrellas lay scattered about like widows at a Sultan's funeral.

At long last, in the eleventh (twelfth? thirteenth? I was gibbering and vague by then) shop, I purchased a workmanlike, cheap, black umbrella, guaranteed to last five days of rain with sunny intervals, at the fixed price decreed by the Burmese socialist government. But I knew the meaning of social justice—it is being tired, wet and only $7 better off.

John O'Sullivan

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Against the Grain

Is America the World's Colony?

EUGENE J. McCARTHY

Albert Schweitzer said that if a civilization loses its ability to foresee and to forestall, it is headed for trouble. Is the United States now losing its independence, its control over its own resources, and even its military strength? Is it becoming, in effect, a colony to the world?

In August 1980, a subcommittee of the House Committee on Interstate and Foreign Commerce held hearings on direct foreign investment in the United States. Direct investment is defined as that which gives control over business or finance to the investors, either through direct ownership or through control of stock holdings. In recent years, direct investment in the United States, though not yet significant, has increased markedly, tripling between 1970 and 1978 and continuing to rise after that year. Direct investment increased from $13 billion in 1970 to $49 billion in 1978. The ratio of foreign investment in the United States to U.S. investment abroad increased from 17 percent in 1970 to 29 percent in 1978. On a percentage basis, foreign direct investment in the U.S. increased by 99 percent between 1973 and 1978, compared with an increase of only 66 percent for U.S. investment abroad.

It is not only the amount of the investment that is important. So too is its concentration. Japanese investments accounted for the largest increase in direct investments: 166 percent between 1973 and 1978. There has also been a shift in the industrial composition of foreign direct investment in the U.S.. Although manufacturing—principally oil and automobiles—maintains the lead, there has been a shift to trade, both wholesale and retail, with investment in such companies as Grand Union, Libby, Stouffers, and Beechnut, dealing in products of everyday use. A growing trend can be seen toward investment in manufacturing industries in the Southeast. Nor is the initiative all on the part of investors. Communities and governments in the United States have been searching for foreign investments, offering favorable tax treatment, facilities financed through the issue of government tax-

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exempt bonds, and other enticements. One of the members of Congress indicted in Abscam was tempted in part by the prospect of bringing foreign investments into his home state.

As noted in the 1980 congressional hearings, foreign investment has significance beyond questions of taxes, equity, and even economics. Foreign investment must be considered in the broader context of what, for want of another term, can best be called "neo-colonialism." This is a form of colonialism that is different in form and historical identification from the colonialism of the past, but which is substantially the same.

Neo-colonialism is marked, like classical or traditional colonialism, by several salient features. The first is increased investment leading to control of the colonial economy from outside. In the case of the United States, control is exercised not by an imperial mother country, but increasingly by a number of foreign countries, entering a relatively free investment field. All the same, with investment comes control.

For example, U.S. government efforts to prevent the export of U.S. technology, such as forbidding the sale of advanced computers to France (when France was suspected of intending to use the computers to help build a nuclear bomb) might well be undercut or circumvented if the technology could be exported under the protection or immunity of a multinational corporation with direct investments in U.S. companies. It should be noted that the U.S. does restrict direct foreign investments, to some extent, in minerals, communications, air transport, nuclear energy, and inland shipping activities, although foreigners are generally permitted to purchase non-controlling interests in voting stock, even in companies operating in these restricted fields. During the 1950s and 1960s, the United States government did intervene to discourage the building of automobile and tire factories in Russia on the grounds that Soviet military potential might be advanced by such facilities.

The importance and danger of foreign control over U.S. economic interests was made clear by the president of a major oil company during the oil embargo of 1973. He reported that his company had, in fact, allocated a larger share of the company's foreign oil production to the United States during the embargo than would have been warranted on the basis of each country's share of business before the embargo. Had he not been an American, or had his company not been controlled by Americans, it might have been much more difficult for him to have made the decision favoring the United States.

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A second characteristic of colonialism that is beginning to mark U.S. trade relationships is our growing role as a supplier of raw materials and as a purchaser of manufactured goods. The British established and maintained such a trading relationship during the colonial period of U.S. history, and it was one of the grievances that led to the American revolution. Today, however, we ship timber to Japan and import fiber board; we ship scrap metal to Japan and import automobiles; we ship coal to Germany and import petro-chemicals.

A third characteristic of colonial status is the absence of full control over the domestic monetary system. For a variety of reasons, the United States has lost full control over its money—witness inflation and a highly unfavorable balance of payments. Formal acknowledgement of this took place in the Nixon administration when the dollar was devalued and allowed to float, subject to the pressures of the international money markets. Dollar instability might be even worse if other countries did not have large dollar holdings and therefore an economic interest in stability. But, as dollar holdings of OPEC countries continue to increase, so does the possibility of manipulation of the dollar—especially if the OPEC countries carry out their threat to base OPEC prices on a basket of currencies rather than exclusively on the dollar.

Non-Economic Colonialism

But the neo-colonial status of the U.S. is also evident in non-economic areas. For instance, United States military forces are now expected to defend other nations. In fact, in some cases the U.S. is under contract by treaty to defend other countries, notably West Germany and Japan. And, within the last three decades, without clear contract or treaty obligation, our military forces have defended the South Koreans and the South Vietnamese. Under the Eisenhower doctrine, they are committed to respond to requests from governments that believe themselves threatened by communist takeover. Is not the role of U.S. troops in these instances comparable to that of colonial mercenaries, although in this instance the countries calling on the colonial troops do not even pay the costs, except marginally in the case of West Germany and Japan?

Under these conditions, our foreign military policies could be imposed from outside. This is a clear historical example of what Charles de Gaulle defined as a state of dependency or colonialism. De Gaulle's point was that a first-class nation should never allow a

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foreign policy or military policy to be imposed upon it, and that when foreign policy or foreign commitment (in de Gaulle's case it was French involvement in Algeria) begins to weaken a nation, either physically or morally, then that foreign policy has to be rejected.

A second non-economic sign of neo-colonialism is our growing loss of control over our own borders and over immigration. The great influx of people from Puerto Rico in the 1950s was wholly within the terms of treaty agreements. Nevertheless, that influx was disorderly and disruptive and accompanied by many social problems, especially in New York. The more recent and continuing serious problem involves illegal immigration from South and Central American countries, especially from Mexico. This immigration does not have the legal support of treaty agreement. Estimates as to the number of illegal immigrants from these countries and areas reach as high as one million persons a year. The failure to control illegal immigration from Mexico is defended by some on the grounds that strict enforcement of immigration laws, more vigorous and thorough patrol of the border, harsher penalties, and quick deportation would "provoke" Mexico and lead to unrest among Mexican-Americans already in the United States. Possibly such actions would be provocative, but such a possibility does not eliminate the reality of the movement of persons into the United States, without legal right, either by statute or by treaty.

More recently there has been an influx of refugees and expellees from Cuba, along with an increase in the number of illegal immigrants from other Caribbean and South American countries. The shipping of criminals and other undesirable persons to colonies, as those which Castro has been accused of sending to the United States, has a strong precedent in British colonial practice of sending criminals to Georgia and later to Australia.

A more subtle manifestation of neo-colonialism is the challenge to the status of the English language in the United States. There has been both a practical and a legal submission to demands that at least some parts of the country should become bilingual or multilingual.

Imperial nations traditionally impose their languages on subject or colonial people—or try to do so—as did the Portuguese in Brazil, the Spanish in South America, the British and the French in their African possessions, and in less successful efforts, the British with the Boers in South Africa.

The process is more subtle in the United States. It is being done

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in the name of civil rights, of good citizenship, and of economic and cultural equality. Yet it runs contrary to historical evidence of the dangers of bilingualism in a country, and contrary to the warnings of anthropologists like Margaret Mead, who has written:

> Bilingualism, and especially bilingualism developed in some compensatory effort to absorb immigrants, increase social mobility, equalize inequalities, as a step toward openness and membership in the world, can be a trap. It becomes, as so many analyses of past and recent experiments in relationships between majority and minority languages have shown, a worse trap if there is no literacy in the mother tongue. . . But once it is recognized that it is the potential antagonism of all dualism and all polarization that is harmful, the next step is easy to take and has some of the delightful simplicity that all good educational innovations have. Simply introduce a third language.[1]

Her obvious conclusion is that a two-language system is unstable, divisive, and should be avoided unless we are prepared to move toward a trilingual society.

One might give an additional warning: the growing emphasis upon tourism with cheap dollars as an added inducement for foreigners to visit the United States, and thus help redress the balance of payments, is a sign of the times. When the official tourist board of the United States (possibly a new department of the federal government) arranges to have airplanes from foreign countries met by dancing girls and bands, we will know that it is later than we thought.

1. *Teachers' College Record,* May 1978.

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Book Reviews

Homage to Orwell?

GEORGE ORWELL: A LIFE. *By Bernard Crick.* (Atlantic-Little, Brown, Boston, 1981).

Bernard Crick's *George Orwell: A Life*, though not a commissioned biography, is the first study of Orwell undertaken with full access to all of Orwell's papers. The book has received generally favorable reviews, and rightly so, for it is in many ways an outstanding contribution to our knowledge of one of the most important figures of modern liberal civilization.

I have an initial sympathy with Mr. Crick's chosen notion of biography—a relatively flat treatment where the color and interest arise largely from the eponymous subject, rather than from the imaginative intervention of the biographer. Mr. Crick's intention is to act as a clear lens. He refuses to engage in the empathetic fallacy as he deems it—intrusive psychological speculation likely to tell us more about Crick than about Orwell.

On the whole, my picture of Orwell the man has not been much disturbed by Mr. Crick, though of course it has been much enlarged factually. Thus it was interesting to learn that Orwell's family were of decayed aristocratic background on his father's side and of French extraction on his mother's. It was also salutary to learn that a considerable minority of those who met Orwell were either not much impressed by him, or actually disliked him. People in this group include men who were at school with him, working-class intellectuals, employees of the B.B.C., and Orwell's own brother-in-law.

Most of those who knew Orwell, however, did like him. His biographer, though he never met Orwell, is himself warmly sympathetic. Indeed, though Mr. Crick has been saluted for distancing himself from his subject, Orwell has him entranced. The ability to exert such a spell, from beyond the grave, and across three decades, is a measure of Orwell's extraordinarily appealing character as well as of his intellectual achievement.

A Magnanimous Man

The picture I had formed of Orwell, before reading Mr. Crick's biography, was of a brave and magnanimous man, with a deep concern for the poor and the weak, and a lifelong hatred for anything false or bullying—for smugness, lies, pomposity, hypocrisy, and cruelty. Mr. Crick amplifies all this. I had not fully grasped the scale of the suffering which Orwell had to endure, nor the courage with which he faced it, nor the torment to him when sickness impaired him intellectually.

I had spotted in Orwell's writings a certain perversity, hairshirtedness, and envy. These faults, too, are there for the reading in Mr. Crick's book, though he lets them emerge rather than probes them. We learn that the Blairs were not as hard-up as Orwell's writings sug-

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gest, we learn that Orwell's silly hatred of the Scots, acquired through his envious observation of boys at school whose fathers had estates in Scotland, extended even to his refusal to socialize with London-based Scots. We learn that Orwell on occasion struck Asians when he lived in the East, and that this outspoken opponent of the birch caned boys very severely when he was a school teacher in Hayes.

It actually came as very unwelcome news to me that Orwell was capable of sexually bullying a young woman who clearly did not want him. Neither does it seem to me seemly that he should have proposed marriage to no fewer than four women within a year of his wife's death. On all this Mr. Crick has either nothing adverse to say, or exonerates Orwell's position as minor inconsistency. I do not agree. If we can praise we must also be able to blame. It *is* the mark of a shallow envy that Orwell went off to live in Scotland as soon as he can afford it. I do not think it would constitute unwarranted psychological delving if Mr. Crick were to note for us ostensible examples of the feelings of inadequacy, envy, and inferiority with which Orwell on his own admission had to grapple.

Distaste for Imperialism

Mr. Crick confesses that he does not greatly trust memories or reminiscences. This is good judgment. It is part of his frank acceptance that there are certain interesting questions we cannot answer. Thus the passages on Orwell's early life cannot definitively tell us whether his childhood was an unhappy one, though probably it was not unduly so. His family were stiff and stilted but a lack of demonstrativeness does not imply lack of affection. Orwell almost certainly exaggerated the nastiness of his prep school but this in turn probably was a very unpleasant institution. Orwell did not work hard enough at Eton to get a university scholarship and his parents' situation made it impossible for him to go on private finance. Apart from these mechanical pointers, we do not really learn why this brilliant young man did not go to university. This suggests that even schools like Eton are capable of failing to identify and foster major talent. Neither do we learn why Orwell joined the imperial police nor, really, why he resigned from it. A growing distaste for imperialism was obviously involved in the latter decision, but the evidence does not allow Mr. Crick any revelatory conclusions.

The account of Orwell's long struggle to gain success as a writer is fascinating. Basically, Orwell did not fit the conventional role he was trying to fill. He was a radical anti-capitalist, but he was not a communist nor even Marxisant, nor ever was. This in itself distinguishes him from most of the other eminent writers who took up—roughly speaking—the same democratic socialist position: Koestler, Silone, even Camus, were all ex-communists. Orwell's patriotism and his deep anti-communism cost him dearly. The fellow-travelling literary establishment, headed by men such as the unspeakable Kingsley Martin, cold-shouldered Orwell, and ensured that two of his three most important books, *Homage to Catalonia* and *Animal Farm*, had a difficult passage to press.

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A brilliant aspect of Mr. Crick's book is the way he reinforces again and again ideas that the reader will have himself gleaned from reading Orwell. There is, for example, Orwell's love of privacy, a virtue he much commended in the English. (The destruction of privacy is a major theme of *Nineteen Eighty-Four*.) A typical expression of Orwell's inclination for privacy is the way he tended to keep his friends separate from one another.

I found an interesting light cast by Mr. Crick, though not by way of extended discussion, on Orwell's attitude to the ultimate mysteries. I had always taken Orwell for a reflex atheist of the nineteenth-century kind. This apparently was not so. Orwell's belief in his personal extinction seems clear enough. Why, though, did he get married in church the first time? Mr. Crick cites a letter which has him gritting his teeth at the prospect of the marriage ceremony. Can we imagine Orwell's near contemporary, the French atheist, Sartre, engaging in this weak-minded *mauvaise foi*? For his second (hospital bed) marriage, negotiations with Canterbury were required. Could not a registrar have come to the hospital? Moreover, Orwell requested burial in a churchyard, and the wife of his headmaster in the 1930s actually insists that he was not even an unbeliever. Elsewhere we find him in a letter expressing the view that man's place in the universe is problematic—a position far from the no-nonsense atheism of the Marx-Lenin type.

The closing sections of the biography are particularly moving. With great sensitivity Mr. Crick traces out for us the vicious irony of Orwell's last days. Fame, wealth, and security now seemed a near certainty, and yet his life slipped away before he could enjoy them.

Brilliant, Humane, and Complex

This is a richly ambiguous book, as befits the great complexity of its subject matter. Though I agree with the generally favorable reaction of the critics, I do understand the strong reservations felt by Nigel Dennis.[1] Certainly from the time he sees Orwell actually beginning his attempt to become a writer, the reader may be assailed with an oppressive sense that something is wrong, or at any rate missing. Part of the job is being handled well, indeed at times brilliantly. The picture we get is at once painful, endearing, and problematic—the evolution of a brilliant, humane, and complex man. What, then, is missing?

The answer, I think, is a sufficiently developed thread of theoretical commentary. Mr. Crick attempts to pre-empt this criticism (as also, to my mind, the less urgent question of the absence of literary evaluation) by insisting that he is not bent on creating either a "life and times" or "life and works" of Orwell. Personally, I have no objection to a biographer's telling it as it was, if this implies only that he does not engage in misleading psychological reconstruction. I categorically deny that this precludes a detailed theoretical evaluation of a writer's

1. Dennis, N. "Orwell booby-trapped," *The Sunday Telegraph,* (London) November 23, 1980.

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position. What we need to start from is Orwell's impact as a social/political theoretician. Orwell arouses fiercer pro- and anti- reactions than any writer since Marx. Who now, outside the arenas of narrow specialism, will do battle over Shaw, or Hemingway, or Auden? By contrast, Orwell raises temperatures more than any other twentieth-century writer in English. Mr. Crick rightly holds that it is hard to get a balance between the man and his ideas. I judge Mr. Crick to have the balance wrong, such that while his biography tells us much we need to know, and have a right to know about the man, it will not prove of much direct interest to the student of ideas. But if the subject of the biography is a man of ideas then that biography should hold something for intellectual history. If not, then it may degenerate into a kind of refined gossip. If your man is a football player, then discuss his football. If he is a social theoretician, then discuss his social theory. To me it is as simple as that, and failure to comply means a ducking of the issue.

If we take Orwell's achievement as turning on the related issues of prose style, personal and public morality, and socio-political theory, we see at once that it is the last one which is central to Orwell's controversial status. One detests or admires Orwell in terms of the matrix of his intellectual evolution—his vast contribution to the theory of despotism.

Individual *vs.* State

Mr. Crick may be right that *Nineteen Eighty-Four* is not Orwell's *summa* but simply a great book he wrote just before he happened to die. What the book undoubtedly does is to lay bare for us Orwell's grasp of the greatest socio-theoretical issue of our times: the relationship between the individual and the state. *Nineteen Eighty-Four* is a fictional treatment of this question, in which an intuitive social theorist of genius conceives the issues on a vast scale and lays them out with stunning intellectual brilliance. Where Mr. Crick might have given us a powerful sketch of the theoretical architecture of this pricelessly important book, he instead devotes many pages to exploding the view that *Nineteen Eighty-Four* is only the projection of a pathological or at least deeply wounded psychology.

Now it seems to me that the cruder versions of the psychology of art suffer from the same intellectual error as the (Marxian) sociology of knowledge—namely a confusion between the provenance of a position and its cogency. That we learn socially that $2+2=4$ in base 10 does not diminish the truth of the proposition. If *Nineteen Eighty-Four* were either the pathological projection of a tormented dying man or a remembrance writ large of a tyrannical prep school, or both (Mr. Crick shows clearly that it is neither) in what way would the force of the book be impaired? Sartre's morbid personality is everywhere apparent in *La Nausée;* but it is a brilliant work. Mr. Crick has in a sense addressed a non-problem in its own terms.

It is not that Mr. Crick is unaware of the theoretical achievement. Orwell, he says, belongs to a group of writers including Koestler and Silone who get to the problem of totalitarianism a decade before the

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academic establishment. *Nineteen Eighty-Four* is the twentieth-century *Leviathan*. It involves a "wickedly plausible" synthesis of communism and Nazism. It is a developmental model familiar to social theorists, and so on.

One senses the bubbling intellectual swirl beneath these deliberately controlled and economic asides. Mr. Crick has a choice. Why does he not let the theoretical geyser blow? That would have been the natural thing to do, and could have been done in, say, thirty pages. Instead, he tantalizes us with fascinating but compressed comments which cry out to heaven for amplification. Why then, this theoretical gap?

The truth is tragic: it is the tragedy of George Orwell and Bernard Crick and all those other men and women who still cleave to the idea of democratic socialism. I believe that democratic socialism is a twitching Fabian carcass and that an awareness of the massively uncomfortable question marks which have to be placed alongside the concept is there for the reading in *Nineteen Eighty-Four*.

The Theoretician

Orwell is fundamentally a theoretician. All his most vivid work is of a theoretical kind. Indeed, it is of the sort often dismissed as "armchair theory." While the charge is true—the work *is* of the armchair variety—this is not grounds for dismissing it. What is also true is that the full implications of Orwell's theory are never drawn by him; and indeed he may have liked to see himself as a man of action, or certainly as a practical social investigator. Here, however, he is at best quixotic and at worst rather forced—sterile even. Mr. Crick shows him to have been removed from the northern working class who are the intended subjects of *The Road to Wigan Pier*. Who could expect otherwise? Between the worlds of the old Etonian and of the industrial working class there is an unbridgeable chasm. No one of Orwell's background could ever hope to understand the proletariat. As to Orwell's perverse slumming among the tramps, it is frankly dotty! The condition of sub-proletarian trampdom must have been anthropologically remote from him. The tramps are anyway unlike the industrial working class, quite untypical of industrial capitalism. The tramps are a marginal group, echoing the beggars of pre-industrial underemployment.

Orwell's socio-political theory is of as much biographical interest as any other aspect of his life, indeed it is the most engaging aspect. I am interested in Orwell's *theoretical* position and in those biographical details which can expand my theoretical understanding. What biographical details bear on the question: what sort of man wrote *Homage to Catalonia, Animal Farm,* and *Nineteen Eighty-Four*?

The most striking thing of all is that the theoretical maturation of Orwell, though tragically incomplete, was achieved with extraordinary rapidity. His major intellectual formation seems to have been compressed into not much more than a decade. The speed with which works of such depth and grasp as *Animal Farm* (1945) and *Nineteen Eighty-Four* (1949) emerged from the intellectual fumblings of the 1930s is a very strange tale indeed. Obviously intellectual fluidity and

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flexibility are in some circumstances virtuous. What has to be faced in view of the fact that Orwell's last two books have put him among the immortals, is the jejune character of many of Orwell's views until very late in the day. His fierce Protestant morality protected him from Stalinist boot-licking (of both the blunt and the Blunt type); but his views were naïve for all that, and would have constituted a hopeless guide to action. When one's friends tell one how much they learned from Orwell, they can scarcely be referring to his political views of the 1930s and early 1940s. To put it crudely, one can say that some of Orwell's views at this period were as daft as those of many of the people he detested.

Orwell and Communism

For example, Orwell was at one point simultaneously opposed to Hitler *and* to rearmament. Indeed, until quite late in the day, Orwell's views would have been no more helpful to anyone seeking counsel than those of the communists. Orwell grasped that communist parties were craven, virtually an arm of the Soviet foreign office. In general, however, their 1930s view that Hitler had to be resisted makes more sense than Orwell's combination of pacifism and anti-fascism. Orwell moved to a pro-war position at the very point when, in the boundless disgrace of the Nazi-Soviet Pact, the communists took up an anti-war stance. Orwell was wrong when the communists were right and did not get it right until they got it wrong.

Moreover, even in the early war years Orwell's views remained extraordinarily naïve. He claimed that the war could be won only if it became a revolutionary one—aimed at transforming the social and political structures of Great Britain. This in fact was a double-naïvete. Great Britain could not have won the war under any dispensation. The British did not win the war—rather the Germans lost it, first by the folly of the attack on Russia; but most of all by the gratuitous provocation of the United States. Chamberlain was right that we could not save Poland: nor did we.[2] The heroism of the British consisted mainly, magnificent achievement that it was, in holding up the Nazis in the West. It seems to me inconceivable that this vastly important but limited objective could have been accomplished if Great Britain had simultaneously been engaged in a revolutionary social restructuration.

As an assessor of the 1930s and early 1940s Orwell simply cannot be awarded high marks. Neither at this point were Orwell's theoretical views sufficiently tough-minded and consistent for us to see clearly in them the subsequent author of *Animal Farm* and *Nineteen Eighty-Four*. Orwell's 1930s treatment of fascism is a good case. While he sometimes shows a good imaginative grasp of what fascism is all about, at other times he is capable of very shallow evaluation: "Fascism after all is only a development of capitalism, and the mildest de-

2. I am not, however, subscribing to the view that the British should not have fought Nazi Germany.

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mocracy, so-called, is liable to turn into fascism when the pinch comes."[3]

These propositions are conceptually grotesque and empirically ludicrous. Orwell corrected his errors subsequently, as can be seen with chilling clarity in *Nineteen Eighty-Four*. Until the early 1940s, however, Orwell was right about communism, but sometimes wrong about fascism and generally wrong about capitalism, pacifism, and militarism. His work until this point is mainly of stylistic and ethical significance. It exhibits that purity of language and that limpidity of moral perception which are the constant threads of his life work and which, though they logically prefigure his (greater) theoretical achievement, do not contain it. Indeed, the opposite is true: it subsumes them.

Animal Farm is not problematic. Its focus is exclusively on Marxist revolution and the effects of its institutionalization. The raging hatred with which communists still react to it testifies to the force of the parody. It is to *Nineteen Eighty-Four* that we must turn to get the full measure of Orwell's achievement. This is comprehensively astonishing. Rayner Heppenstall's view that *Nineteen Eighty-Four* is the work of a madman is incomprehensible to me.[4]

Nineteen Eighty-Four

The *Nineteen Eighty-Four* picture is at its weakest internationally, though even here it is very perspicacious. Where Orwell has three super-states, all of them boundlessly despotic, we have only two super-powers. One of them, however, *is* an unfathomably cynical despotism, seemingly bent on world-domination. Moreover, a third aspiring super-power, China, is also a regime of inscrutably centralized decision-making. It is salutary to remember that more than a third of the world's population lives directly or indirectly under regimes of this kind. Mr. Crick himself notes that in Eastern Europe Orwell's book is read as angry satire. It was also perspicacious of Orwell to predict that the great powers would contend for the soul of what has come to be called the "Third World." We must confess that all too often, especially in Africa, the forces of anti-capitalist and anti-Western corporatism appear to be gaining the upper hand.

It is for his internal picture of the workings of despotism, however, that Orwell can claim highest marks. Here he has indeed, as Mr. Crick elliptically suggests, contrived to synthesize communism and Nazism in a highly plausible way. The latent power mania of the first is seen as merging with the manifest wickedness of the latter in the construction of a state which is really the embodiment of evil as a political category.[5]

The picture Orwell sketches for us in *Nineteen Eighty-Four* cer-

3. Crick, p. 234.

4. Rayner Heppenstall, "Orwell: A Blurred Portrait" *Encounter*, February–March 1981, pp. 77–80.

5. My friend James McNamara has drawn my attention to this especially cogent representation of Orwell's model.

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tainly anticipates with uncanny prescience some of the characteristic phenomena of modern socialism. The tripartite structure of proles, outer-party, and inner-party is right. The proles are sunk in abysmal ignorance and squalor but less closely supervised than the other two.

There is the ultimate deadness of the ruling ideology, though in contemporary socialist society this is clearly more widely understood than in Orwell's model.[6] There is also the remoteness of the dominant élite from the rest. The élite live in affluence (though not the glittering luxury of the modern capitalist bourgeoisie), but unlike a bourgeoisie they are unbridgeably distant from most people—a picture of socialism recently born out by Raymond Aron.[7] The condition of minor party officials (like Smith) is particularly pitiable—poor as the proles and yet minutely supervised. How many intellectuals of Eastern Europe must see themselves in Smith?

There is the seediness and dilapidation of life—the vast government edifices and the mass decay of private life—public affluence and private squalor, as Friedman's famous pun on Galbraith was later to have it. The "organic" response is the same: in *Nineteen Eighty-Four* as in modern socialism—a black market which people like Winston Smith's mistress, Julia, come to learn to play.

There is everywhere the peeping and prying monster state, the endless falsification of history and news, the demonic militarism and nationalism which have indeed characterized modern socialism. There is the absence of the rule of law,[8] and the denial of any inviolable distinction between the realms of the public and the private. In this sense, "private" squalor is a misnomer, for the privacy of the individual is gone—his personal autonomy and his economic life alike have been eroded.

Nineteen Eighty-Four shows clearly that Orwell has grasped the essential affinity of communism and Nazism. He understands their common institutional form: the ubiquitous Leviathan state. He understands their converging dynamics: intolerance, envy, hatred, and power-mania. Moreover, he has grasped these issues in a way sufficiently developed for him to advance them in a directly readable form. Curiously, it is the nature of his *own* society that continues to elude Orwell in *Nineteen Eighty-Four,* or rather that he fails to bring up from his own inchoate grasp. There *is* an understanding of the nature of liberal capitalism in the book, but it has not fully surfaced. Had it done so, Orwell would have recognized the contradictory nature of his continued espousal of "democratic Socialism," would have realized

6. Leszek Kolakowski holds unambiguously that Marxism is dead in Eastern Europe. *See* his *Main Currents of Marxism,* Clarendon 1978, Vol. 3, p. 529.

7. Raymond Aron, "My Defence of Our Decadent Europe" *Encounter*, September 1977.

8. Kolakowski insists that the Marxist-Leninist state cannot know the rule of law. Kolakowski, *op. cit.*, p. 456.

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that, as his critics have rightly maintained, *Nineteen Eighty-Four* is indeed an attack on socialism written from a specifically liberal point of view.

Two Socialisms

The problem is that "democratic Socialism" is a kind of pleonasm. Certainly it is a term conflating two notions of socialism. The first is a normative hurrah-word, almost coterminous with "liberalism" and "democracy." It involves respect for others, an emphasis on the rule of law, and a tolerance of religious, sexual, cultural, and racial differences. The latter is a positive term denoting the extreme centralization of decision-making by the state.

It is true that many people still believe that the two socialisms are consistent with one another. Unfortunately all the evidence to date is that they are not. There is not a single instance to the contrary.[9] In *Nineteen Eighty-Four* Orwell is asking the question: What is likely to happen in a one-party state having boundless power over its population? It does not matter, for the purposes of the fable, that we know that total power is unachievable. It is a deadly chimera for all that. The drive of the *Nineteen Eighty-Four* regime is for a totally disunited and atomized population, ignorant and helpless in face of a power-élite which has given up all traces of soteriological inspiration.

The ravings of the lunatic O'Brien are among the most perceptive aspects of the book. In his assertions that power can make $2 + 2 = 5$, or indeed construct the world entirely as the power-wielders dictate, O'Brien uncannily pre-figures the false view of reality to be found in the more extreme versions of the contemporary sociology of knowledge.[10]

The Nazi roots of the nightmare are not problematic for this vision of evil. From the beginning the Nazis dropped into the historical gutter deliberately. The question we have to ask is why Marxian socialism shared the same fate. Why should communism and Nazism, so different in inspiration, have converged toward the same horror?

Leszek Kolakowski has eloquently discussed the frustration by history of man's intentions[11] without, it seems to me, offering us a persuasive positive explanation as to why communism, the ultimate darling of the Enlightenment, should have come to such immediate

9. P. J. D. Wiles, *Economic Institutions Compared,* Blackwell 1977, p. 462.

10. Michael Young, (ed.). *Knowledge and Control,* Collier Macmillarn 1971 Most of the essays in this seminal but massively wrong-headed book espouse a ferocious and sociologistic relativism. They confuse the true proposition that social processes *construct* knowledge with the false inference that they therefore *arbitrarily constitute* it. However, the logical robustness of a proposition is not undermined by its social construction. Neither, as Winston Smith grasps, can power-structures make $2 + 2 = 5$. The correct answer is 4, for God himself. The song has no other lyric.

11. Leszek Kolakowski, and G. Urban, "The Devil in History: A Conversation" *Encounter*, January 1981, pp. 9–26.

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and abiding grief. Raymond Aron, too, has offered us a mainly negative explanation, in asking why the élite of a centralized bureaucracy should be expected to bow before the wishes of a majority it has the effective power to constrain.[12]

It seems an oddity that the fictional work of a man who was not a trained social scientist or philosopher can yield insights in relation to the later work of scholars of much greater intellectual distinction than he. Nevertheless it is the case. Communism went astray because it failed to grasp that mercy is the master virtue. It was a search for justice forged in an inferno of intolerance. Abandon the supreme virtue and its dependent principles become impossible too.

Dialectics of Despotism

Orwell has grasped this. *Nineteen Eighty-Four* portrays a dispensation which is unjust because Eros has been banished, denied either his Samaritan or his sexual expression. The book endlessly probes the dialectics of despotism—bad faith, intolerance, cruelty, the abolition of the realms of autonomous action and affection. Against the moral bankruptcy of the state is juxtaposed Winston Smith's love of life, of sex, of his mother, of Julia, of nature, of the washer-woman whom he does not personally know.

At the same time, contrasted with this spiritual ebbtide, we are presented with a half-remembered conceptual and material landscape immediately intelligible to those having the good fortune to live in it. There is in *Nineteen Eighty-Four* not only the bitter, taunting memory of an age of comparative affluence, with coffee, sugar and chocolate everyday purchasable commodities; there is also an aching nostalgia for individualism, for the rule of law, for the rights of the citizen, for an arena of negotiated moral action, of rational and consensualized private decisions.

Winston Smith's longings are all of a piece. The longing for privacy, for love, for knowledge, for access to meaningfully established and cherished words—these are liberal imperatives. All have been rendered impossible by the *Nineteen Eighty-Four* state.

This is why it was naïve for Orwell to hold that the British people would cheerfully assent to a centralization of their economy or that this could leave their political freedoms untouched. No free people has ever acceded to so dangerous a call. The Nazis had shown Orwell the horrors which can attend the centralization of decision-making even without formal public ownership. Indeed, it is significant that even some contemporary Marxists regard the question of ownership as an amorphous legality.[13]

What is now increasingly apparent is the faultiness of the basic socialist critique of capitalism. Private property is not in itself a source

12. Raymond Aron, *op. cit.* p. 15.

13. Samuel Bowles, and Herbert Gintis, *Schooling in Capitalist America*, Routledge and Kegan Paul 1976, p. 57.

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of exploitation. Neither is it, *pace* Milton Friedman, a source of freedom.[14] Private property and decentralized economic decision-making are logical consequences, unavoidable expressions, of a free society. An idealist explanation of capitalism is implied here. Liberal capitalist society is free not because it is capitalist. It is mental life which is the independent variable. Our society is capitalist *because* it is free.[15] The socialist critique of capitalism is false and the *remedy* is disastrous. Nationalization and the indefinite extension of the social wage are not pre-requisites of freedom but the potential mechanics of despotism. Though Orwell did not speak in these terms, such is indeed the deep message of his book. Liberal capitalism is the imperfectly but poignantly remembered landscape of *Nineteen Eighty-Four*.

Some critics have seen, in Smith's welcoming the thought of Julia's promiscuous fornication, a corruption in Smith himself, comparable to his proclaimed willingness to dash acid in a child's face if this will further the anti-regime cause.[16] In the latter case Orwell is simply asking a hard question. To what lengths would brave and dedicated men and women go to topple a Hitler, a Stalin, a Big Brother? The answer is *not* self-evident. The former case is not corruption at all. Smith does not rejoice in Julia's promiscuity from the viewpoint of a life-weary roué—then indeed he would be corrupt. There is in his celebration, as in Julia's acts, an affirmation of life and personal being. Smith is *not* a corrupted pawn. Given the absence of ennobling agencies of socialization, Smith is a marvel, a testimony—whatever Orwell believed—that the good and the true will never perish. Lucifer is indeed the Ape of God, and he will not win. The private corruption is shining virtue compared with the enshrined evil of the state. Eros, bureaucratically hemmed in, despotically compromised, forced down the alleys of evasion and furtiveness, still bears the marks of his divine individuality. O'Brien finally forces Smith to betray Julia because the boundlessly evil state he represents cannot tolerate even the most vestigial dignity of a personal relationship. All life must be reduced to the emptiness of power relations.

We are not obliged to think that Orwell believed that such an inhuman reduction could be achieved. When we ask whether *Nineteen Eighty-Four* is a conceivable picture of the future we may conclude that it probably is not. The evidence of history seems to me that men do not voluntarily accede to bondage in the long run, *pace* all those structuralist theories with their model of man as basically stupid and manipulable. I believe that the control problems of the *Nineteen Eighty-Four* state would prove unmanageable. Yet a century which has seen evil on the scale of Hitler, Stalin, and Mao cannot lightly shrug off Orwell's

14. Milton Friedman, *Capitalism and Freedom*, University of Chicago Press 1962. *See also* Milton Friedman, *Free to Choose*, Secker and Warburg 1980.

15. These ideas are explored at length in O'Keeffe, D. J. *The Sociology of Human Capital*, Routledge and Kegan Paul, forthcoming.

16. P. Parrinder, "Updating Orwell?" *Encounter,* January 1981, pp. 45–53.

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appalling question. What I would also insist is that *Nineteen Eighty-Four* is as much about the past as the future. Orwell was fascinated and revolted by the slave states of antiquity. The Big Brother regime is like a modern Assyria, its tyranny compounded by comprehensive technological surveillance of the population.

Fascism and Communism

Orwell is raising the terrifying possibility that it is the *liberal present* that is exceptional. Can we now doubt that the left (progressive)-right (reactionary) spectrum is analytically bankrupt? Significantly, Orwell does not use it in *Nineteen Eighty-Four*. He has probably grasped its taxonomic uselessness. Fascism and communism alike proclaim the future and alike resurrect the past, neither as tragedy nor as farce but as cynicism.

It is thus redundant to stress, as Raymond Williams does, that Orwell's horrific vision owes as much to fascism as to communism.[17] Clearly this is so; but it does nothing to save the viability of "socialism" understood as a structure of highly centralized decision-making. It is equally otiose to emphasize Orwell's continued espousal of democratic socialism. This is nothing more than nominal and unexplicated affirmation of virtue. When Orwell shifts the focus of his argument from fascism to communism, he is merely noting the shift in the corporatist challenge to the liberal order. One version of the enemy has been defeated; another remains.

Mr. Williams notes Orwell's failure to predict an affluent militarist dispensation.[18]This is a brazen attempt by Mr. Williams to stifle the argument—an attempt to identify modern capitalism as as bad as communism, only rather more affluent. Tell that to the Poles! Orwell's nightmare is not about capitalism defending itself. The whole point is that capitalism has perished.

To date, affluence is capitalist. No non-capitalist society has ever been affluent by the standards of the modern West. Moreover, "militarist" is an unfair description of modern capitalism. Its armies are essentially defensive. It is corporatism which tolerates no rival forms, being predicated on a universalist eschatology. It is one-party corporatism, impoverished, intolerant, expansionist, which is the historical problematic of *Nineteen Eighty-Four*.This is the dispensation which, conflating the horrors of defeated Nazism and undefeated Marxian socialism, Orwell dreaded as the possible inheritor of the earth.

No matter that collectivist despotisms could not get away with it in the long run, for in the long run we are all dead. Orwell's bleak vision of a liberalism fleetingly located between the corporatisms of the past and present may be for a number of reasons unconvincing. Nevertheless we may take *Nineteen Eighty-Four* as a forbidding geometry of intolerance. The message is as morally cogent as it is empirically overwhelming. Only an intolerant dispensation could aspire to a total centralization

17. R. Williams, *Orwell* Fontana 1978, p. 61.
18. *Ibid.* p. 77.

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of socio-economic life and there are no grounds for thinking that any free people could embrace such. Mr. Crick has ducked out of a theoretical appraisal of Orwell, because like his hero and like all liberal socialists, he finds his aspirations and his analysis pointing in mutually incompatible directions.

Dennis J. O'Keeffe

Two Gurus

WEALTH AND POVERTY. *By George Gilder. (Basic Books, New York, 1981)*
THE ZERO-SUM SOCIETY. *By Lester C. Thurow. (Basic Books, New York, 1980)*

The Lester Thurow book has on the back of its dust-jacket strong recommendations by John Kenneth Galbraith, Robert Lekachman, and Herbert Gintis. Similarly George Gilder's book has strong recommendations by David Stockman, Craig Roberts, and Jack F. Kemp. This makes the political position of the two books clear and there is no doubt that both books were written with the desire to have political impact. There is also no doubt, I believe, that they will have a political impact, although whether it will be a major one is by no means obvious. It seems likely that, in general, these books will be read only by people who already agree with the point of view of the author and hence will tend to reinforce opinions rather than change them.

When reading the books I was not absolutely certain that the various people who gave endorsements had read the whole of the book they endorsed, rather than merely reading the beginning and ending chapters. It's hard to believe that Mr. Stockman would have really endorsed George Gilder's view on inflation, and Lester Thurow's firm endorsement of multinational corporations and the development of large conglomerates should have shocked Herbert Gintis more than a little.

Another aspect of these books that I found intriguing was that on many specific issues they were on general agreement. With respect to inflation, both Mr. Gilder and Mr. Thurow think that it is a bad thing and should be eliminated if that could be done easily, but both fear that efforts to end inflation would damage other interests which they hold dear. The interests are, as it happens, quite different for the two authors.

Both Mr. Gilder and Mr. Thurow are in favor of sharply cutting back the anti-trust act, and for somewhat the same reasons. It is true that Mr. Thurow wants to retain laws against formal cartels and a very narrowly defined type of predatory competition and Mr. Gilder does not, but in general their attitude is very similar. Somewhat more surprising, both are in favor of faster economic growth, albeit Mr. Gilder

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is more enthusiastic about this than Mr. Thurow. Both of them argue that the policy changes they favor will in fact accelerate growth. In both cases, in fact, accelerating growth is one of the major objectives which they think we should aim at. Both favor abolishing the Civil Aeronautics Board, the Interstate Commerce Commission (CAB), (ICC), etc., although Mr. Thurow wants to establish an immense new regulatory board to control all capital investments.

Another thing the authors have in common is that neither is very much interested in the really poor of the world, who of course live outside the United States. Since Mr. Gilder is not particularly in favor of redistribution at all, this is a not surprising, but in the case of Mr. Thurow the whole objective to which he suggests we aim is a "fair" distribution of income and it is obvious that a distribution in which Americans have a great deal, and citizens of India, China, etc., have very little, is not fair by the criteria he uses. Why he draws the distinction between one type of poor people and another—why he thinks fairness only applies to Americans—is never explained anywhere in the book. But this omission is not unusual for an advocate of income redistribution.

John Rawls, for example, does not apply his scheme in such a way that large transfers would be made to foreigners. When we go behind his "veil of ignorance" we know that we are American citizens, and hence are not motivated to make large transfers to other countries. If, of course, one considers oneself as a human being, and not as a rather aristocratic citizen of the world's wealthiest nation, then one would be in favor of transfering very large sums abroad. Given the choice between saving ten starving Indian children or providing a color TV set for a poor black family in Harlem, Lester Thurow favors the second, although he makes his point by not saying this but simply by ignoring the Indians. In this he follows the precedent of John Rawls.

But if the two books have much in common they also have great differences. The first and rather surprising one is that George Gilder's book is the more scholarly of the two, although both are obviously aimed at a popular audience. Mr. Gilder has many more footnotes, and a lengthy bibliography. He makes fewer errors of detail than Mr. Thurow (indeed I detect very few, whereas there are a number in Mr. Thurow's book).

The reason why a Professor of Economics at MIT, Lester Thurow, has written a less scholarly book than the professional publicist, George Gilder, is not exactly clear. It is also not a terribly important issue. It is nevertheless true that numerous errors crop up in the Thurow book. They range from trivial matters—such as his belief that the problem with the DC-10s was cracks in the wings rather than cracks in the engine mounting—to highly important ones. As an example of the latter, his view of the modern corporation is based firmly on the Berle-and-Means thesis of the early 1930s. The modern theory of the market for corporate control is completely missing from his book. And that error is of considerable importance, because he bases his reasoning on malfunctions of the corporations, particularly in allocation of capital, on the obsolete theory of Berle and Means. He

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also succeeds in writing a whole chapter on inflation without mentioning the money supply.

But these errors, although they are a little surprising from a Professor at MIT, are not so surprising when we consider the particular professor and the particular subject matter. As anyone who has met or talked to Lester Thurow will testify, he is an extremely intelligent man and a very good economist, but when he turns to income redistribution, his very strong emotional drives lead him into a good deal of carelessness. He does indeed believe very, very strongly in income redistribution—so strongly that he actually favors the redistribution of income away from himself— and this strong emotional drive leads him to greatly over-emphasize the arguments for such redistribution and to ignore arguments against it.

It is one of the interesting characteristics of our culture that the average intellectual is in favor of income redistribution, although normally not that income redistribution which would significantly reduce his own income.[1] But the arguments offered for it change from time to time. Indeed, one way to become famous these days is to invent a new argument for income redistribution. John Rawls took this route, and Lester Thurow is in the process of doing it again. Income redistribution has always been treated by the conventional economists as something which people might want, but for which there is no rational argument. This is not regarded as a criticism from the standpoint of conventional economics, because conventional economics treat all human wants as essentially unexplained. The invention of a rationale for income redistribution, however, seems to relieve a certain amount of nervous tension on the part of the intellectual community, with the result that it is hailed as a great discovery. Abba Lerner's revival of Edgeworth's declining margin of utility of income, John Rawls' veil of ignorance, and Lester Thurow's *zero-sum society* have all been hailed as great discoveries. Each, I think, will tend, with time, to disappear and be replaced by some further rationalization for the same policy.

Now, the above remarks do not indicate that we should not redistribute income. Economics offers no strong argument for any particular distribution of income over wealth classes. There are very strong arguments against specific detailed redistributional arrangements, and in fact Mr. Thurow makes a great many of these arguments in his book, as does Mr. Gilder. When we turn to the question of whether or not redistribution is desirable, however, we are dealing with an ultimate question which economics cannot answer. The economist can say that redistribution, like other things that one might wish to buy, is expensive, and hence that we will have less other goods if we choose to "buy" redistribution. This does not mean that we should not buy redistribution, any more than the statement that if we choose to buy auto-

1. In fact many well-off people are under the mistaken impression that income redistribution would benefit them even though they are in the top 10 percent of the nation, the members of which are in the top 10 percent of the world's income distribution.

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mobiles we must spend less on other things indicates that we must not buy automobiles.

Mr. Thurow, in a way, disputes the above proposition, but only in a way. If I may put the main theme of his book in very short compass, he argues that the government today engages in a great many acts which shift income around in the population. These acts in a democracy mean that specific groups who would be injured by a given change in government policy are motivated to organize to prevent that policy.[2] It is thus impossible for the government to make a number of changes and improvements which would make all of us better off.

So far, I go along with Mr. Thurow. Indeed a large part of the new field of Public Choice, which is my special area of study, is devoted to these problems. In addition to taking political action to prevent government from lowering one's income, however, people also take action to induce the government to make specific policy decisions that will raise their income. Mr. Thurow is aware of this, but he doesn't emphasize it very much. The net result of all of these acts by organized citizens to use the government, either to protect themselves against a fall in income or to get increases in income, is a very great reduction in the total efficiency of our economy. If we could, somehow or other, separate these distributional efforts from efforts to get the government to work well in other respects, there is no doubt that we would be very much better off.[3] Mr. Thurow, however, has a drastically defective way of dealing with this problem. Specifically, he believes that if the government made a specific decision to provide a "fair" income distribution, then all of these other distributional problems would vanish. He regards these fights about distribution as "a zero-sum" gain: hence the title of his book. In practice, they are unfortunately much worse than the zero-sum game; they are distinctly negative.

The problems with this solution are many. First, as far as we know, all democracies have acted this way.[4] The studies of American tariff in the early nineteenth century, for example, look almost identical in terms of the use of the governmental apparatus to cause income distribution in favor of special small groups or to protect special small groups against negative effects on their income. The government did less of this in the nineteenth century—simply because the government was smaller—but there is no reason to believe that on a percentage basis it was less prominent in government activity in 1800 than in 1980. Indeed, it may well be that the extreme example of this practice was the English government in the period which we now call the industrial revolution. As Adam Smith once said, there is a great deal of ruin in a nation.

2. As a matter of fact the same phenomena occurs in a dictatorship, but dictatorships are less studied.

3. It seems to me the best method here is probably changes in government structure, and indeed I have at various times proposed quite a number of them. It is, however, an area which is difficult and further research is necessary.

4. And it should be said also all dictatorships, kingdoms, etc., we just don't know as much about them.

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There are a number of problems with Mr. Thurow's position, the most important of which, of course, is that there is no reason to believe that when the government had decided that a particular distribution of income was "fair," political groups would stop trying to use the government to increase their income or to protect themselves from reductions in income. The type of change in governmental structure which might make this impossible is never discussed by Mr. Thurow, and indeed I would deduce that he is largely ignorant of the new literature in Public Choice in which this kind of problem is investigated.

Further, as I mentioned above, his definition of fair is rather odd, since he is quite willing to permit people to die of starvation in India. For each and every one of us our most valuable possession is our American citizenship.[5] This is particularly true for people in the lower part of the income spectrum. Highly qualified people can frequently make as much money in a poor and backward country as they can in the United States, but for unskilled labor the payoff for an American passport is very large. I quite seriously estimate the value of American citizenship as something on the order of $250,000 if we contrast it to citizenship of India. Mr. Thurow (and in this regard he agrees basically with almost everyone who is in favor of income redistribution[6]) ignores this radical inequality.

But if this definition of fairness is a little odd, it is also unworkable. The zero-sum game is not going to be changed because the government has announced that a particular type of income redistribution is fair. I should, in addition, say that I don't see any strong reason for believing that Mr. Thurow's income redistribution would be a good one anyway. In particular, he does not seem to have any clear ideas as to exactly how income should be redistributed when that income originates from capital.

Mr. Thurow does not offer any real arguments for investing. Indeed in what is perhaps his most famous passage he recounts how he told a group of people at Harvard that in order to increase the rate of economic growth it would be necessary to add to our capital accumulation, and asked where the sacrifices to make that capital accumulation possible would come from. The people in his audience apparently were not economically literate and were unable to answer. Almost anyone who has studied economics—including, one would have thought, Lester Thurow, would have replied that if the investments to be made are desirable they have a high enough return in increased productivity to pay the cost of deferring consumption. This permits paying enough interest so that people will voluntarily make those investments without regarding it as a sacrifice. If I put aside money for

5. Or Swiss or French, etc.

6. I am in a mild way an exception to this. I am not strongly in favor of income redistribution either in the United States or from the United States to India but I at least state my attitude with respect to India and the Americans in consistent form. See *The Rhetoric and Reality of Redistribution,* forthcoming, *Southern Economic Journal,* May 1981.

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my retirement, I do not sacrifice anything. If I invest money because the interest rate is high enough to make it worthwhile, once again I do not sacrifice anything.

Lester Thurow in fact has a rather cavalier attitude toward return on capital. It is not exactly obvious why different countries in the world have different rates of growth at the moment, but one of the better arguments is that our tax system treats capital investment more roughly than any other and hence that we would be worse off than other countries in growth prospects. Note that I do not endorse this argument. It is an unfortunate fact about economics that we do not really have a good theory of growth. We have an excellent theory of how to do as well as possible under a given condition, but the theory is not dynamic. Thus I cannot say for certain why American growth is slower than that of some other countries. But the most popular theory at the moment among economists is the one given above (i.e., the extremely negative treatment of capital returns by our tax system), and Lester Thurow never mentions it at all. Indeed he seems to think that our tax system treats capital rather favorably. George Gilder, in this area, makes the correct calculations.

Mr. Thurow points out quite correctly that we do not have any perfect way of determining what is the optimal allocation of labor wages. He believes that if the difference between the most highly paid laborer and the lowest paid laborer were on the order of 5 to 1, we would have adequate incentives for hard work. He may be right or he may not; economists simply do not know. We do know, however, that efforts to equalize income have relatively little effect on the work effort of the people in the upper income brackets, who are taxed, and a great deal of effect on the income of people in the lower income brackets, who are subsidized. This is largely ignored—in fact almost denied—by Mr. Thurow. He points out that in the last twenty-five years the share of the bottom 20 percent in total income has not increased perceptibly, but that their share of earned income has gone down very sharply and government supplements have increased to make up for the difference. In his opinion this indicates that the government has just substituted for what otherwise would be a market failure. Mr. Gilder would argue that it is the development of these large-scale supplements, with their concomitant reduction in the incentives for work effort, that have made the change.

Indeed this is one of the major differences between Mr. Gilder's book and Mr. Thurow's. Mr. Gilder believes very strongly that our current welfare system is not only discouraging the poor from work but is ruining poor families and in general causing very great harm to the poor. He has done a great deal of personal study of the poor, and is familiar with the sociological literature. On this basis he argues that our present welfare system not only is expensive (and hence tends to retard growth in that way), but is also laming the poor in that they are not given the appropriate incentive system.

It is impossible, in this case, to say with absolute certainty whether Mr. Thurow or Mr. Gilder is correct, but I think the weight of the evidence is on Mr. Gilder's side. Certainly Mr. Thurow's simple, bland

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assumption that the cause/effect relationship goes from low earned income on the part of the poor to high welfare payments, rather than from high welfare payments to low earned income is a very dangerous assumption.

Mr. Gilder believes firmly in the Schumpeterian creative destruction theory of progress, Ludwig Von Mises' perpetual gale, and even the role and importance of luck. His optimal society would no doubt be one which had some kind of safety net for people who fall too far but basically one in which hard work, ingenuity, saving, and, once again, luck, pay off, and pay off very well. He argues that this will lead to a rapid growth of wealth and that in particular the poor will benefit because they will now receive the appropriate signals. He waxes almost poetic in discussing the effect of this kind of society in the past and its probable effect now, and has a long (and in my opinion a very well-written) discussion of the effect of the present welfare system in perpetuating the poverty of the poor. All of this fits in rather well with my own personal prejudices in the matter, but I have to admit that they are prejudices. As I said before, economic science cannot really deal with dynamic elements. We are forced to make estimates based on essentially unscientific evidence, and George Gilder does so. Thus while I incline to think that Mr. Gilder is right, I am not anywhere as sure of that as I am that Mr. Thurow is wrong.

But there is much in Mr. Gilder's book with which I cannot disagree. His demonstration, for example, that hereditary wealth is much less important in American economy than most people believe; that the large corporations are not growing and indeed may be shrinking; and that there is still a lot of opportunity for the poor, hard-working person in our society; are all correct and important. The same can be said about his emphasis on the importance of opening up opportunities for new capitalists, and for that matter how well capitalists have done even under their present handicaps.

In spite of all of this his book has what I think, and what most economists will think, is a serious defect. Let me quote, not from his book but from an interview he gave.

> Capitalism is *not* based on greed; it is based on generosity and giving. The chief disposition of the capitalist is that he doesn't consume his wealth; he keeps reinvesting it. In order for his investments to succeed, they must be based on an imaginative understanding of the needs of others.[7]

Most economists would say that this paragraph is absolutely correct except for the first sentence. One of the standard arguments for the free enterprise economy is that it leads people from purely selfish motives to behave in a way which benefits other people. Scrooge, in Dickens' *A Christmas Carol*, is a sort of caricature of this point of view. Dickens was deeply antagonistic to classical economics, and *A Christmas Carol*, like *Bleak House*, was intended as propoganda against it. Strictly speaking, however, almost everything that Scrooge

7. *IRI Insights*, March-April 1981, p. 6.

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says in justifying his own pattern of life is good economics. Most of us, however, would not believe that his motives were beneficent.

If St. Francis of Assisi was given good economic training and told to go out and do good, he would probably try to work hard and invest his money at the highest possible return. In other words, to a considerable extent he would act like a capitalist. On the other hand, he would no doubt continue living, personally, in poverty in order to invest all of his profits in further productive facilities. The average successful capitalist emphatically does not live in poverty. This is fairly good evidence that his basic motive is not altruism but greed. No doubt capitalists are like the rest of us and are, to some extent, altruistic. It should not be forgotten that we spend most of our income on ourselves and our family and give away only a small part to the poor. Still, the argument that capitalists are motivated by altruism is distinctly a weak one.

It is in a way typical of the Gilder book. He wants to restore the moral respectability of capitalism. Most professional economists regard the capitalist order as morally correct in the sense that it will make everyone well off, but the behavior of the individual in it as essentially morally neutral. It may be that Mr. Gilder's argument is far more likely to attract converts to the cause. Unfortunately, it is incorrect.

Nevertheless, I find myself somewhat in the unfortunate situation of disliking the book by the Professor of Economics and liking the book by the Rockefeller Republican publicist and not being absolutely certain that my judgment is based on good economics. The areas of growth and income distribution are ones upon which I have strong opinions, but opinions are not knowledge.

Gordon Tullock

War By Other Means

NATIONAL DEFENSE. *By James Fallows.* (Random House, New York, 1981)
THE POLITICS OF WAR. *By Walter Karp.* (Harper & Row, New York, 1979)

One and inseparable are war and foreign policy. This theme runs through the above-listed titles, unevenly emphasized. James Fallows notes that while his book is about military preparedness, "The only reason a nation raises armies is to defend the interests its policy defines." Walter Karp complains that historians have treated domestic and international politics as if each were "an off stage disturbance" to the other.

Today the United States is whipsawed between better-Red-than-dead submission and a sentiment which in my boyhood I once heard from Confederate Veterans. "Son," they would tell me, "don't ever lose a war!" There is some wisdom in remembering that one section of

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our country, the CSA, knew invasion, defeat, and reconstruction, and knew to be warned against losing the arms race to the Soviet Union no matter what the inducements of appeasement or the bogey horrors of holocaust. Contrasting attitudes need bearing in mind while examining the disparate works of Messrs. Fallows and Karp (who are journalists) and a sidebar on an older book by William James (who was a Harvard professor).

National Defense is characterized throughout by a supercilious air which obscures much of its undoubted merit. The author, who jumped ship at the Carter White House and is now Washington bureau chief for *Atlantic Monthly*, launches his whole argument from an adversary proposition. It is that the Pentagon and presidential military planners are mentally retarded, and that he is their patronizing superior in clairvoyance and basic intelligence.

To make this perfectly clear, Mr. Fallows likens the Defense establishment to the bubbleheads whom Captain Gulliver encounters in his voyage to Laputa, Jonathan Swift's allegorical kingdom where abstract thinking dominates over common sense. The Laputans cut clothes and built houses by erudite theories and the people went ill-clad and ill-housed. In Mr. Fallows' account the generals, admirals, and brain-trusters adopt strategies and weapons systems which have no utility in the Vietnam jungle or in the path of Soviet tanks. Billions of taxpayers' dollars go down the drain, it is observed with some justice but little charity—all because Jim Fallows was not consulted on the M-16, F-16, MX, cruise and much else.

Once past the blame-giving, this author disperses valuable fact and philosophy. He postulates three "realities" to test our military planning. First, it will do no good for the Armed Services to ask for "more," because the national economy doesn't have more to give. Second, we need flexible defense systems, because the worldwide threat has infinite variety. Third, there is "Napoleon's chestnut" that military morale is to material as three to one.

How to apply this triad of verities? We must somehow disentangle ourselves from High Technology. We should give our fighting units cheaper and therefore more available weapons and less complex ones, which the IQ of the GIs can manage. And we must school ourselves to understand that the enemy will chose where and how to strike; thus we avoid the Maginot complex in all its aspects. Also, we must build our defenses increasingly around men rather than "miracle" machines. It is here that Mr. Fallows convincingly goes philosophical.

In pitching for a restoration of the draft, he assembles good authority for the axiom which places intangibles ahead of hardware in international trails by combat. U.S. officers, George Patton and Bruce Clark, are quoted to update Napoleon and von Clausewitz. The last-mentioned harps upon "friction" as a non-material ingredient of warfare—meaning that the unexpected and unpredictable (bad weather, delayed marches, defective ammunition) will overturn the best laid plans. Nothing but stout-hearted soldiers can rise above the snafus of GHQ and what GIs call the frigging finger of fate. There is endless testimony that beaches are stormed and last ditches held not so much

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by patriotism and unit-pride as by buddy-loyalty. This does not eliminate the need for armament and organization, but it puts first things first.

Mr. Fallows gives priority to troop morale, candidly admitting that he has made no personal contribution ("I deliberately avoided service in that—Vietnam—war."), but finding this no taint to his opinions. Other deliberate non-combatants—Scoop Jackson, Gary Hart, Dave Stockman, George Will—are constructive thinkers on preparedness. Mr. Fallows concludes that an escape-proof draft would put a fighting spirit back into the ranks. Voluntary enlistment fails, he says, because it segregates. It is the Jim Crow car of the poor, black, and Hispanic. Total conscription would engender comradeship beyond class and caste.

Mr. Fallows cogently relates conscription to taxation. Nobody likes either of them, but both are acceptable to all except mindless anarchists. He might have gone further and pointed out that we had draft resistance in the 1860s as well as the 1960s. Lincoln toughed it out; Johnson-Nixon-Ford bugged out on enforcement.

In coupling tax bills with draft cards, Mr. Fallows might have brought up the suppression of the Whiskey Rebellion, a tax revolt in George Washington's second administration. The President-General led four state governors and their militia, accompanied by the national tax-collector, Treasury Secretary Alexander Hamilton, into Western Pennsylvania. Many violators were captured, some indicted for treason, none executed. Political opinion in the 1790s divided Left and Right, with liberal Jeffersonians indignant and conservative Hamiltonians satisfied at preserving liberty by asserting authority. Mr. Fallows says that disputes on the draft and weaponry fall into these lines.

Foreign policy, called by its aficionados the "shield of the Republic," is often the trapdoor to Walter Karp, a magazine editor-writer who spent four years under a Guggenheim Foundation grant to write *The Politics of War.* Seldom is seen such merciless flogging as Mr. Karp lays on the backs of William McKinley and Woodrow Wilson, the front men of American interventionism. Most of us were brought up to believe, as William James sardonically recounts, that yellow journalism in 1898 whipped up the people until "the pliant politician McKinley was swept away by their eagerness, and our squalid war with Spain became a necessity."

Mr. Karp's revisionism (often close to debunkery) finds President McKinley a slippery customer who schemed to annex Cuba and the Philippines because congressional elections showed GOP losses and signs of a coming depression. His given reasons were Manifest Destiny and humanitarianism.

President McKinley stopped an assassin's bullet before knowing that "enlightened internationalism" would lay the flare-path to collision in the 1940s with Japan and in the 1960s with Castroite Cuba, Red China, and Soviet Russia. Meanwhile Mr. Karp saves still more savage lashes for Woodrow Wilson ("high ideals but no principles") who, representing himself as a social reformer, made war in Mexico, Europe, and Siberia.

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"The decisive trait..." the author writes, "was vainglory: a hunger for glory so exclusively self-regarding, so indifferent to the concerns of others that it would lead him to betray in turn the national movement for reform, the great body of the American people, the fundamental liberties of American Revolution and in the end the hopes of a war-torn world."

He finds that the McKinley-Wilson experience institutionalized "war and the war party [which] altered America permanently...for the worse." Mr. Karp believes it bred a "docility" which soon had Americans waiting passively in breadlines "as if they had known breadlines all their lives." The same tame submission thereafter defaulted on the ancient republican virtues which, to Mr. Karp, meant both political independence and progressive reform. Without trespassing past his thirty year timeframe (1890–1920), he entices the reader to speculate that any ambitious president might be tempted to shoot his way out of domestic difficulties and to condition an electorate that is willing to accept the indispensable leader. Historian Charles A. Beard preceded an August 20, 1939 *Harper's* Magazine article on President Franklin Roosevelt with the lines from Henry IV,

Therefore, my Harry,
Be it thy course, to busy giddy minds
With foreign quarrels...

And the sagacious H. L. Mencken in a one-on-one luncheon at his Baltimore home told this reviewer just after FDR's 46-state reelection in 1936, "If there's a war by 1940, Roosevelt will join it; if not, he'll start one. He will never be an ex-president, and he'll die in bed like a king."

Nuclear weapons have raised the stakes, and major wars are no longer an American political ploy, if they ever were. William James (1842–1910), living partly in the period of Mr. Karp's coverage, probably would not have accepted that book's conclusions. The Harvard philosopher, while testy toward the era's politicians, inclined to eschew *ad hominem* judgements and to blame warfare on the pugnacious nature of the human race, trained by the "gory nurse" of history – "a bath of blood." People under whatever form of government get the excitement they crave, writes James. "The popular imagination fairly fattens on the thought of war. Let public opinion reach a certain pitch and no ruler can withstand it." He goes on to declare, "Every up-to-date dictionary should say that 'peace' and 'war' mean the same thing..." When not indulging their passions, people were lusting in their hearts for blood.

James' remedy, of course, was "The Moral Equivalent of War" (oft-cited, seldom read) which called for non-military service by youth of fighting age. His modern disciple Margaret Mead pressed the notion as a statutory extension of the Peace Corps and Job Corps – for boys, girls, and young marrieds. James made the proposal in belief that Theodore Roosevelt's tirades against molly-coddles and weaklings were a valid but misguided preachment of the military virtues. Patriotism, discipline, and dedication could be channelled into peacetime citizenship.

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James' ideas are relevant to this review of Messrs. Fallows and Karp because, simplistic as the proposals seem after two world wars and two attempts at benign peace-keeping world organizations, the aspiration of No More War has degenerated into charlatanism. We have lived to see that the most determined effort at a Universal State has its seat of empire in Russia, where a Marxian mafia in 1917 took over a liberal revolution, and imposed discipline and dedication under the truncheons of Big Brother. History, matchlessly ironic, today caricatures William James as the absent-minded professor who went off without his hat and briefcase while neglecting to tell us how a defenseless America could legislate the rest of the world into adopting his moral equivalent. After conceding that men are bred to fight for power, plunder, and women, James confesses to "my own utopia. I devoutly believe in the reign of peace and in the gradual advent of some sort of socialistic equilibrium." Perhaps he was anticipating the egalitarian figment ascribed to another dreamer Henry Wallace—a quart of milk on the doorstep of every Hottentot.

Whatever else may be said for these books by Messrs. Fallows and Karp, both authors are pro bono publico, though one is critical of the Pentagon and the other of over-reaching presidents. Clearly America's and the Free World's salvation, is not in pacifism and utopianism. Republican virtue (in the old Roman, not the theological or ethical sense) was with us through Harry Truman and seemingly is reviving in Ronald Reagan. The enduring creed of "eternal vigilence" as the price of liberty is lodged in our hearts, one must hope. The commodity most desired by the peoples of the earth is not socialistic or monolithic but pluralistic, in service to their God and State.

The U.S.A.-U.S.S.R. struggle finally comes down to a contest in leadership. There is a pessimism inherent in these three writers, which ought not be exaggerated. Mr. Fallows is unhappy but not despairing about military bureaucracy. Mr. Karp saw the "war party" as dooming civil liberties, but it hasn't happened yet. James thought war, absent his idealistic remedies, to be a certainty, but he never heard Churchill discourse on peace by "mutual terror"—which is closely related to common sense.

In the reasonable probability that sapience will fail us and that wars will never cease, these books need not condemn us to an Orwellian future. The recorded past indisputably tells of slaughter and devastation. It also relates that free people continue to raise up champions—Washington and Lincoln, Churchill and De Gaulle—who absolutely refuse to lose the last battle.

Holmes Alexander

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Equality Upon Stilts

THE GIRL I LEFT BEHIND. *By Jane O'Reilly.* (Macmillan Publishing Co., New York, 1980)
THE SWEETHEART OF THE SILENT MAJORITY: THE BIOGRAPHY OF PHYLLIS SCHLAFLY. *By Carol Felsenthal.* (Doubleday & Co., Garden City, N.Y., 1981)
CONFESSIONS. *By Barbara Amiel.* (Macmillan of Canada, Toronto, 1980)

In an episode of *Upstairs Downstairs*, a young Australian is expatiating to those downstairs on his brand of liberated politics, according to which everyone should be equal. To this Hudson, the proper Edwardian butler, responds: "Equal to what, may I ask?" After reading Jane O'Reilly's *The Girl I Left Behind*, a volume of feminist ravings (her description), one is prompted to insist that the word "equal" be banned from all social discourse, unless the discourser defines precisely what is being measured as equal.

Ms. O'Reilly, a writer by profession, began her self-awareness journey by embracing Gloria Steinem's first premise of feminism: "Women are not equal members of the human society, and we are not equal simply because we are women." A confusing place to start, as it is impossible to say what the premise means. Women, Ms. O'Reilly believes, should be brought up to be equal, but she never gets around to thinking out the answer to the question "Equal to what?" Once she does attempt it (sort of):

> The gentleman in the back row asks, What do I mean by equal? Is this a point which needs clarification? Very well. I was, being a woman, not raised to be equal: that is, I was raised without the same status, privileges, and rights of men. I am, by custom and law, considered unequal: less than whole. No sir, I do not think the fact that I cannot lift heavy weights has anything to do with it.

"Status" (whatever that might mean), "privileges," and "rights"—and later in the book she dwells on "money" and "power." If Ms. O'Reilly is saying that women should have "the same" privileges and rights and more money and power, why doesn't she just say so, without contending that women should "be equal"? The point would elude any true-believing feminist, which is why clouded language has compounded already cloudy thinking. She seems to be saying throughout the book, if only by implication, that women and men are "the same" except only that they have different reproductive systems. The result is an exercise in historicism and a descent into looneyspeak:

> Men say that women are different, that we have no sense of the larger issues, no understanding of *real politik*. They are really talking about power, about the kind of "differences" that have justified consigning Jews and Blacks, Armenians and Vietnamese, Catholics, Protestants, Hindus—anyone who was different—to poverty, enslavement, and death. But the oldest justification of all, the one invoked and enjoyed even by powerless men, is the "difference" between men and women.

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> [Feminists have] been trying—for how long this time? Five or ten years?—to right the wrongs of four thousand years.
>
> It is possible—thousands of years of history make the suggestion—that the reason the Equal Rights Amendment has not passed is because too many people, both men and women, still fear and despise women.
>
> I would prefer to believe...that the present resistance to the idea of women's autonomy—as manifested in the opposition to both abortion and birth-control—is the last shudder of biological determinism.
>
> To think otherwise is to yield to the bleakest possibility—that men's power over women depends precisely on our inability to control our own lives and that men would prefer to enforce pregnancy rather than give up any power, even the power to refuse to care for the children.

What Ms. O'Reilly "accepted as normal was in fact an arbitrary distinction." It is this which has apparently violated the "autonomy" of women for "4000 years" (why not 5000?, 6000?). It is as if 4000 years ago, the Council of Patriarchs met to enforce various arbitrary distinctions: we hereby resolve to dupe all women into believing that men and women are not equal and that we will latch onto the difference in reproductive systems to drive home the ruse; we shall keep them home to "protect" them; we shall not listen to their cantatas or study their econometric models; we shall not allow them to light our cigarettes. Marriage was to be and remains, in the words of Ms. O'Reilly, "an institution that depends on the oppression and exploitation of women." Hence, according to Ms. O'Reilly, "a feminist is a person—man or woman—who understands and wishes to change the injustices of patriarchal systems."

All of which leads to the question: Did the possibility of happiness exist for women before, say, 1971, the founding date of *Ms.*? If a woman said she was happy, was she really happy, or was "happiness" part of the plot? What if she said she was fulfilled? Was she really a fool?

Also: How did the conspiracy start to break down? Ms. O'Reilly seems to accept the broad sweep of sexual determinism. When considering the fate of an anti-abortion amendment in Congress she adjures us to keep in mind the numerical masculine content of Congress. If determinism is so convincing, why did Congress pass (and the states ratify) the Suffrage Amendment, the 1964 Civil Rights Act banning sex discrimination in employment, the 1963 Equal Pay Act, and the 1972 amendment prohibiting sex discrimination in federally assisted education programs? Were they just getting soft?

Finally, is it really possible that 4000 years evolved utterly without regard to what feminists now know to be the true "equal" nature of women? Isn't it possible that it was the technological advance out of the Age of heavy-lifting and high child-mortality rates that offered new possibilities for twentieth-century women, and not the break-up of forty centuries of conspiratorial oppression?

The derangement of the feminist movement was captured in the twinkling of an eye in a comment made by a liberated woman at a

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cocktail party Ms. O'Reilly attended: Homer was a sexist. The entire evolution of mankind revised out of existence. But then it is pointless to explain to someone who looks at the world that way why the remark is so absurd. Was Lincoln a racist? Was Michelangelo Gay?

Ms. O'Reilly's self-realization chapter is "Click! The Housewife's Moment of Truth," in which she recounts episodes that call forth to her and her sisters "the moment that brings a gleam to our eyes and means the revolution has begun." For thirty-seven pages, she discusses how oppressive it is to be a woman in middle class America. Each time we hear a Click! it is: "A moment of truth. The shock of recognition. Instant sisterhood."

> A woman I know in St. Louis, who had begun to enjoy a little success writing a grain company's newsletter, came home to tell her husband about lunch in the executive dining room. She had planned a funny little anecdote about the deeply humorous pomposity of executives, when she noticed her husband rocking with laughter. "Ho, ho, my little wife in an executive dining room." Click!...
>
> In suburban Chicago the party consisted of three couples. The women were a writer, a doctor, and a teacher. The men were all lawyers. As the last couple arrived, the host said jovially, "With a roomful of lawyers, we ought to have a good evening." Silence. Click! "What are we?" asked the teacher. "Invisible?"

It is difficult to understand why that is a reason to start a revolution. Any normal person would have thought "Good grief! Who invited lawyers?" Any self-respecting person, that is. Ms. O'Reilly equates self-respect with being respected, and since the Angry Young Woman can't legislate respect, I suppose that's the reason for the revolution.

Who gets stuck with raising the children is, for Ms. O'Reilly, the prime question of feminism:

> Why do you think everyone's first response to the women's movement was the question: "But who will take care of the children?" Because no one else wanted to take care of the children, and if women were allowed the options of liberation we might quite wisely opt not to go on bearing the children and the burden of their care and the psychic burden of being expected to hold together the fabric of society, universally described as the Family. With options, women might choose to participate in the society instead of being fabric glue.

The prospect of making sandwiches in the car on a family outing with the children "mewling and growling" in the back seat is not a pleasant one to her. The results of such a life: "The ones who take care of young children are, as a group, the most depressed, most suicidal people in the United States."

While her views on the subject sometimes ring of doctrinaire parody (Rule one of her domestic reorganization plan is: "Decide what housework needs to be done: Then cut the list in half"), one could sympathize with many of her points about freeing modern women from the automatic role of child-raiser for other possibilities of satisfaction. Furthermore she stresses that not everyone lives in a nuclear family. Women seek careers not merely for "fulfillment" but because many

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women simply have to work. Day care centers are not just a luxury. Life, as everyone says these days, is unfair. There is pain in her personal reflections. The real problem with her account is that Ms. O'Reilly, like most feminists, simply won't *let* anyone who is not already a feminist sympathize with her.

First, because she fills this autobiographical medley with so much talk of Revolution, Oppression, and We *vs.* They. If you think her terminology is a bit wild, you are left out in the cold. Ideologues never crack a smile when they talk of the "fundamental issues" and usually extend this levity to trivial matters. Ms. O'Reilly spends a morning on page 17 berating herself for automatically offering a man the newspaper when he came down to breakfast. He said to go on reading. (Click!)

Humor is the flip-side of the pain of life. Revolutionaries want to eradicate the world as given (or as changeable); there is no flip side: Ms. O'Reilly "was born into a world [she] did not choose to live in." (In Ms. O'Reilly's case, this seems more personal *angst* than revolutionary fervor.) Humor generally, and a self-effacing one especially, is a recognition that pain is a permanent feature of the world. Many feminists and advocates of the dead-earnest Left seem to feel that after the Revolution—after we've blown up everything we don't like—pain will simply wither away. Ms. O'Reilly remembers the assumed task of hostess at holiday get-to-gethers: "Perhaps only other mothers will understand the absolute liberation I felt when one of the children threw up on the lace tablecloth. It was not my child, or my tablecloth, or my responsibility. I decided never to celebrate Christmas at home again." Now, that might be humor. I laughed. But I don't know whether I was supposed to.

Second, one gets the impression in her political and social pronouncements that men and women don't really like each other, and that expanding options of modernity simply expand the areas where men and women can dislike each other. The more clicks a woman hears, the less important affection seems as a measure of happiness. The straw men she draws pursuing "Upward Failure," their "insane vision of success," are, any reader would admit, not very likable. But middle-class feminists have duped themselves into thinking that happiness equals "masculine" success, whereas happiness, horrifying as Ms. O'Reilly would find this, doesn't equal anything specifically: it is relative to the circumstances available in each individual's life. The twentieth century has broadened the circumstances and opportunities available to women, but in the morbid feminist outlook, this has produced more opportunities to be unhappy, because there are more areas in which the feminists can find that, at the present time, women do not enjoy equal achievement and representation. It is possible that there were happy women before the latter half of the twentieth century. At times in her personal reveries we get a different view: "Give me a man who can dance and sisterhood goes glimmering." But when she gets exercised, it's back to politics. "The Housewife's Moment of Truth" concludes: "[L]ove is somewhat beside the point. Love is nice. It is better to feel it than not to feel it. But after all, even the perfect

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orgasm won't do a damn bit of good for the women who follow us."

The great horror of the twentieth century is that after centuries of the evolution of the idea that one ought not to dislike someone outside one's family, tribe, nation, religion, or race, merely because that person is different, we now have the extension that somehow it is not right to like someone simply because he or she is within one's group. The pluperfect extension is: don't be prejudiced for *or* against. Not, Love thy neighbor; but, Be equal to him (her, them). This in some ways makes life easier. It is, after all, easier to declare one's solicitude for and human equality with someone in Bangladesh than it is to love your neighbor next door. The ultimate violation of the Equality Injunction, the nth taboo, is to suggest that members of any given group are generally different (ergo unequal) in intellect or areas of thought from those of another group. To assert that some people, in a general way, are intellectually different from others can not be done in public no matter how obvious it is in private. Ms. O'Reilly, like all feminists, is very big on figures of underrepresentation in certain fields where participation ought to be hovering around fifty percent. But this is based on the assumption we can't debate in public, that freed of "arbitrary distinctions" women would show the same capabilities and the desire to pursue them as men. That, of course, may well be true. But if the assumption is wrong, "affirmative action," whatever it may mean to Ms. O'Reilly, can only mean, to get the desired result, arbitrary distinctions against men. But then Ms. O'Reilly probably wouldn't know what I am talking about. She quotes an unnamed member of Them: "Beyond a certain point, equality can be enforced only by tyranny." The proposition doesn't ring a bell.

One could well accept Ms. O'Reilly's public-policy proposals, could embrace the concept that in modern culture men should spend more time caring for the children, could agree that it is high time that talented women be respected as talented women—and yet reject her view of history and the world as insane. To return to the first premise of feminism: it asserts that "women are not equal members of the human society," and by implication, they ought to be. What does that mean? What is going through the liberated mind when this idea is being expounded? A man comes down to breakfast and is *not* offered the newspaper. Fine. But what vision of the world is implied by the idea that women are "equal" to men? Can we imagine a world free of all assumptions with regard to sexual identity, apart from the obvious ones of intercourse, pregnancy, and childbirth? Unless history *is* a sexual hoax, having babies and lifting heavy weights do have psychological connotations beyond the mere physical functions of those acts.

Perhaps this is all a rhetorical problem. Perhaps we should all agree that women are equal to men and not care what we mean. Ms. O'Reilly states "if language is a reflection of reality, then I do not feel my reality is properly taken into account by the word 'mankind.' " How would a man feel, she asks, about an interview with "the-women-in-the-street," about the book, *The Ascent of Women*, about the slogan, "Fly Eastern, the Wings of Women"? Well then, in the cause of advancing

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equality, what about marching onward from Chairperson to chairmammal...chairthing...thingthing. Click! Click!

Ms. O'Reilly was educated by the Convent of the Sacred Heart in St. Louis, an institution "so extreme in its dedication to the notion of genteel womanhood that it produced two extremes of reaction": herself, and Phyllis Schlafly, America's most famous campaigner against the Equal Rights Amendment and feminism generally, and, in the words, of Betty Friedan, "a traitor to her sex."

Liberal syndicated columnist Carol Felsenthal began her interest in Mrs. Schlafly with a negative review of her book, *The Power of the Positive Woman*. She then went on to pursue reports many claimed had to be true: that Mrs. Schlafly was a Bircher, that she received financial support for her causes from extremist groups, and that she was not really an opponent of the ERA—she simply grabbed the opportunity for self-aggrandizement. Miss Felsenthal found that these leads went nowhere and ended up writing a fascinating and, in many ways, admiring biography. It is an account of comings and goings rather than of intellectual evaluation (Miss Felsenthal remains politically neutral). One comes away from the book floored by the awesome energy and discipline of the woman.

Phyllis Schlafly (*née* Stewart) was put through City House (a Sacred Heart school) by her mother, a working woman (her father was out of work for a long time in the depression). At City House, Phyllis Stewart was monotonously first in everything (except sports), received the most *trés biens* (deportment grades), and was the senior class valedictorian. She received the needed scholarship to a Sacred Heart college, but then after a year resigned her scholarship because she wasn't getting the competition she wanted (the college, for one thing, was all female). Then she went to Washington University in St. Louis, and without a scholarship, put herself through (Phi Beta Kappa) the undergraduate program in three years, while at the same time working 48 hours a week in a munitions plant. Then to Radcliffe for an M.A. in government. She worked in Washington and St. Louis in various positions and then married Fred Schlafly. It was an intellectual courtship: they wrote political love letters in verse. Then she had six children all of whom are also successful. She taught all her children reading at home, all the while typing heavy tomes on her area of particular knowledge and passion—nuclear policy. She ran for Congress in 1958 and again in 1970, the latter time declaring that a woman's place is in the house—and the Senate. (The only time, Miss Felsenthal finds, that Mrs. Schlafly and Ms. Abzug ever agreed on anything). During her testimony against the ERA before the Illinois House, a legislator questioned her credentials, as she was not a lawyer. Her reaction at age 51 was to enroll in law school, (all the while cranking out newsletters for her devoted "Eagles," writing books, and testifying against ERA); she is now a member of the Illinois bar.

Mrs. Schlafly is a formidable debater. In her political discourse, she often goes for the emotional jugular, but she always knows her facts. She is less out to convert the doubters than to rally the troops. And as she says, God doesn't stuff the ballot boxes.

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Her highest compliment must be the one from Susan DeCrow, former president of the National Organization of Women:

> I think that what Phyllis is doing is absolutely dreadful. Yet I admire her. Friends are always asking me, "God, how can you be on the same stage with her?" But I just can't think of anyone who's so together and tough. I mean, everything you should raise your daughter to be.....She's an extremely liberated woman. She sets out to do something and she does it. To me, that's liberation.

But then she is not really a model for women or men. Few have anything close to her combination of intelligence, energy, and discipline.

Mrs. Schlafly is out to rally the troops and Ms. O'Reilly to sympathize with hers. *Confessions*, the delightful autobiography of Barbara Amiel, might not convert many, but people will probably listen, as Miss Amiel's account of her political journey from socialism to liberal democracy, is so sympathetic, common-sensical, and amusing. It is a book of much present laughter and, at times, bitchy humor.

Miss Amiel, a Canadian journalist, was born in London of Sephardic Jewish background. She was brought up to believe that the future was a path to the Left, though there were options available: The Hampstead branch of the family (Maoist) and the faction in Golders Green (pro-Soviet). Her immediate family emigrated to Canada, where growing up was not always easy. For times when she was still in school she lived alone in rented rooms and supported herself by taking a job in a peach-canning factory. Then thanks to a small inheritance from the Hampstead branch, she went off, in her third year of university to the "Soviet-sponsored bash" known as the World Youth Festival. She went via East Berlin where standing before the Berlin Wall: CLICK!

She eventually went into journalism and suffered through the insufferable Left-wing bias of the Canadian Broadcasting Corporation. Stokely Carmichael, Jerry Rubin, or Rap Brown came up not for interviews but "mass love-ins." "Our media seemed to lament only that we ourselves had little slavery and discrimination in our past....In true Canadian fashion, we were even jealous of America's guilt."

Miss Amiel discusses a great many subjects in this book, and in her personal portrait is remarkably frank: for example, she tells us of her addiction to a drug she took to relax muscles and of her abortion (something she now regards as murder). She has an excellent chapter wading through and debunking the feminist conspiracy theory of history. Once when she learned that a male colleague was making more money than she was she "stormed into the [producer's] office (stormed, actually, is not quite accurate. I took a cup of tea and two Elavil pills....)" How can one not like someone who writes like that?

She is at her best when lancing social and political cults. In "The Cult of Multicult," she discusses public and private efforts to nurture Ukrainian, Hungarian and every other ethnic identity of Canada in television programs, textbooks, and other areas of public attention. A leading Canadian textbook publisher produced a handbook aimed at presenting "every element in society as fairly as possible." Since "fairly" is a relative term, the effort was, as Miss Amiel points out, not to "present every element as truthfully as possible." The result is a textbook

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with model pictures portraying Canada as a predominantly Oriental or black country. The egalitarian thrust of multiculturalism in the media and education "preaches not that all people deserve equality of opportunity but that all people are equal in achievement. It is one of the most spiritually debilitating diseases of our time."

Elsewhere she discusses a report issued on the subject of human rights of South Asians in Canada. "The Toronto media were salivating over it." Among its pronouncements: "Racial prejudice as it exists in the world today is almost exclusively an attitude of whites. . . to justify the robbery, enslavement and continued exploitation of their coloured victims all over the globe." "Toronto," Miss Amiel comments, "seemed still to be smarting from a case of New York envy. New York had Real Urban Problems, and one of them was racial tension."

Once at a party, a theatre director described all libertarians as fascists. Miss Amiel replied that she was sympathetic to some libertarian positions. "Well, that makes you a fascist bitch." With typical good humor, she chose *Fascist Bitch* as the original title of her book. She was troubled only that in Left-wing lingo, "Orwell's 'Slavery is Freedom' has all but arrived."

Robert J. Blake

Our Betters

WALTER LIPPMANN AND THE AMERICAN CENTURY. *By Ronald Steel.* (Little Brown & Co., Boston, 1980).

THE COURT YEARS 1939-1975: THE AUTOBIOGRAPHY OF WILLIAM O. DOUGLAS. *By William O. Douglas.* (Random House, New York, 1980).

Walter Lippmann and William O. Douglas were Americans of roughly the same generation who achieved power, prestige, and fame early in life and possessed them through old age. Lippmann, the foremost journalist of the twentieth century, exercised considerable influence upon this country's foreign and domestic policy from the time of Woodrow Wilson's presidency to the end of the Johnson administration. Douglas served on the Supreme Court longer than any other man and did so during the period when the judiciary expanded its reach far beyond that ever previously conceived.

Ronald Steel's biography is a superbly written, honest, and sensitive portrait of an intellectual who immersed himself in high politics all his adult life. Mr. Steel traces Lippmann's changing philosophy and beliefs from his days as a Harvard undergraduate to his decline into pathetic frailty, revealing frequent about-faces on questions of policy as well as such consistent attitudes and patterns of thought as the journalist maintained during his career. Mr. Steel is scrupulously fair in pointing out Lippmann's weaknesses and frequent errors in judgment. If the book has any flaw, it is the author's occasional incongruous articulation of his own political prejudices. These eruptions of naive re-

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visionism are irritating and out of place given the nature of this work. There is, however, no need to tarry very long over those outbursts; they are offered as *ex cathedra* pronouncements without justification, argument, or substantiation.

While at Harvard, Lippmann began to hone the ability to ingratiate himself with the powerful and to develop personal contacts in journalism, politics, and the law which were to grant him access early in life to the stage upon which he could display his considerable gifts. At college, he took weekly tea with William James; studied under Irving Babbitt; became a disciple of Santayana and a friend of Lincoln Steffens. Extreme flattery and sycophancy won the sympathetic regard of these and many other luminaries.

After graduation from Harvard Lippmann entered journalism and ended up on the *New Republic*'s staff. Worshipful encomiums won him the friendship of Theodore Roosevelt, against whom he later turned without guilt or hesitation, and Woodrow Wilson, also subsequently repudiated. He became one of the foremost advocates of American entry in World War I, basing his arguments upon Wilsonian idealism and predictions that the war would lead to universal democracy. His advocacy of the war implied no obligation that he, a healthy young man in his twenties, should actually fight on the battlefield; his political commentary and advice to the powerful presumably being far more important to the war effort. He helped draft Wilson's Fourteen Points, but finally became disillusioned with such lofty aspirations, and with Wilson.

Lippmann eventually left the *New Republic* to become a newspaper columnist, and it was in that role that he achieved his great fame and influence. There is no obvious explanation for this phenomenon. Lippmann was not consistent in his political beliefs, nor consistently wise in the policies he recommended, nor consistently correct in his predictions of the course national and world events were to take. His writings were frequently characterized by ludicrous pomposity, unremitting earnestness, and overblown rhetoric. His pattern was familiar—early infatuation with some political principle or new political leader, followed inevitably by disillusionment and columns deprecating his former enthusiasm.

Lippman was contemptuous of the public and distrustful of democracy. In this he showed no trace of hypocrisy; he always believed himself superior to the common man, said so, and acted accordingly. After World War II he opposed the "containment" policy advocated by George Kennan and adopted by successive administrations. His great crusade as a writer was against the war in Vietnam.

Lyndon Johnson, with whom Lippmann had once maintained a relationship of fawning mutual flattery, ignored Lippmann's criticism, which made LBJ a target of searing attacks in Lippmann's columns. LBJ was "pathetically secretive" and suffering from a "messianic megalomania"; Johnson's America was a "bastard empire." The President responded in kind to this "political commentator of yesteryear" and administration officials ceased toadying to their critic. Such harsh treatment came as a rude shock to Lippmann, heretofore treated like

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some Arab potentate or high dignitary of the Church. His discomfort helped push him into semi-retirement in 1967 at the age of seventy-seven.

Lippmann was cold and aloof, apparently unhappy in his personal life. He was devoted to his second wife, who, in order to marry the columnist, left her husband, formerly the only close friend of his life. Lippmann's old age was a shipwreck; he became frail, befuddled, and an unbearable burden to his wife, who placed him in a nursing home and departed for Europe and other parts far removed from her husband. For so haughty a man to endure such helplessness and abandonment was a most cruel fate.

Yet, for all his mistakes and high self-regard, there was about Lippmann something great. He undoubtedly possessed a certain grandeur in his bearing, thought, and style. His writing was almost always rich and interesting; he addressed only great issues; pettiness was foreign to him. He used his powerful intellect to try to work out the course which would be best for the nation and world, advocated his beliefs with force and eloquence, and was usually sincere in what he wrote. Perhaps more cannot reasonably be asked from a political commentator.

If Mr. Steel's biography displays with great artfulness the personality, achievements, and abilities of its protaganist, William O. Douglas' autobiography, *The Court Years*, reveals all too well its author's character. The book consists of the Justice's description of various events which transpired and individuals encountered during his nearly forty years on the Supreme Court, and brief comments respecting various cases which the author viewed to be most important.

The most significant feature of the book (insofar as it might reflect upon the substance of Douglas' career – his role on the court) is its extremely abbreviated explanations of the cases which came before him. Beyond these synopses he offers few substantial clues to understand his behavior on the Court; he never articulates a coherent philosophy upon which his decisions were based.

The Justice's approach is encapsulated in an aside which he alleges Chief Justice Charles Evans Hughes made to him shortly after he (Douglas) joined the Court: "At the constitutional level where we work, ninety percent of any decision is emotional. The rational part of us supplies the reasons for supporting our predilections." Douglas claims that this comment struck him like a thunderbolt; the admission that "the 'gut' reaction of a judge at the level of constitutional adjudications" was determinative destroyed his "reverence for immutable principles." The claim that an aside from even so majestic a figure as Chief Justice Hughes could have so radical an effect on a man of Douglas' temperament provokes amazement; there is, however, no doubt that Douglas' behavior on the court was not determined by judicial precedent, the words of the Constitution, or the intentions of the Founding Fathers. It is curious that so fervent a self-proclaimed defender of freedom as Douglas could see no danger in this *ad hoc* approach to judicial decision-making. If a judge need only follow his "gut" and freely distort the Constitution and precedents in order to ac-

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commodate his prejudices, there are no limits upon the Court's tyrannical power. What is to prevent some future majority on the Supreme Court from indulging the "gut" feeling that certain minorities should be liquidated or liberties eliminated, if those in control of the other two branches should share those ends? Even if events never reach such a pass, no citizen appearing before a court which makes its decisions upon "gut feel" can believe himself safe. A perception of "fairness," that decisions will be based upon principles and rules known and commonly understood in advance, is necessary if the moral authority of the judiciary is to be maintained. The "gut feel" theory of decision-making contains the seeds of the destruction of the current system of law by creating cynicism and eventual refusal to accept the Court's decisions.

The stance of the Justice on the appropriate model of adjudication appears especially perplexing when compared to his contradictory position on freedom of speech. The right of free speech, he maintained, was virtually absolute; while it was acceptable to prohibit the yelling of "fire" in a crowded theatre, limits on less clearly dangerous speech are prohibited by the First Amendment. There was no room for balancing the need for free speech against other values: "[A]ll of the 'balancing' had been done by those who wrote the Constitution and the Bill of Rights." The Justice, forgetting the "gut reaction" theory of constitutional adjudication advocated in an earlier chapter, condemns any effort by the Court to determine the reasonableness of laws limiting free speech: "In that event they would in a sense sit as a superlegislature. Certainly, their views on reasonableness would vary quite widely. We would then have a regime of constitutional law that turned on the subjective attitudes of the Justices rather than on the Constitution. That regime would give the Court vastly more power than it would have if the Constitution were taken more literally."

The *Autobiography* is interesting reading, not because it offers any insights into the flow of political events during Douglas' years on the Court, or into the personalities of the important people with whom he came into contact—there are no such insights here—but because of its revelation of the author's character. The Justice viewed himself as resembling "The Douglas in his hall" of Sir Walter Scott's poetical invention; as "fiery and courageous," daring to challenge "the Establishment," an entity which arises frequently in this book as a target of bold defiance and scorn. If these virtues are displayed in practice by name-calling, intemperate attacks upon those disliked or disagreeing, unabashed self-promotion, and contrived justifications of one's own questionable behavior, Douglas in this book certainly proves himself their possessor in abundance.

Innumerable individuals are subjected in the *Autobiography* to frenzied attack. Felix Frankfurter, Douglas' rival on the Court, is a favorite target. Professing respect and affection for his colleague, Douglas relates a host of derogatory anecdotes about his colleague, the supposed originator of the "Harvard cabal." Of course, few, if any, of these alleged incidents are independently verifiable.

Countless others are objects of crude abuse. Harry Truman helped

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set loose a "regime of terror"; Lewis Strauss and Warren Burger were "hatchet men"; Justice Michael Musmanno was "notorious"; John Kennedy's presumptuous refusal to appoint J. Skelly Wright to the Supreme Court constituted solidarity with the racists; Richard Nixon was a "hound dog," a "king" who "plundered" the nation, anti-semitic, and (like LBJ), likened to Adolf Hitler. Embarrassing personal disclosures are made about colleagues like Justice Charles Whittaker and Erwin Griswold and "friends" whom the good justice "loved," such as Lyndon Johnson and even Rose Kennedy. Those who disagreed with Douglas are fortunate if dismissed as "reactionaries," "ignorant," or "crackers."

Douglas had great contempt for his country and its values. The Americans are hysterical, sadistic, uncivilized, feeling a perverse thrill at the administration of capital punishment. They harbor sinister "dark suspicions," are unsophisticated and childish. The United States is a modern Ghenghis Kahn, the world's most suspect and hated nation. "Main Street" constitutes an alarming threat to liberty.

This severe moralist on certain principles was perhaps not always the most scrupulous practitioner of the virtues he demands in others. If Douglas' support for "the Establishment's" creation of concentration camps during World War II for Americans of Japanese descent seems illiberal today, we could not be more forgiving than to follow the generous stance of the Justice himself, who magnanimously concedes that he had been mistaken. Nor should Douglas' behavior toward those closest to him be examined too closely, even though documented in embarrassing profusion in recent works by writers of less charity than the author of this *Autobiography*—such as in James F. Simon's *Independent Journey: The Life of William O. Douglas.*

Douglas' acceptance of a generous salary from a foundation established by a gambler—a man alleged to have an indirect interest in cases which came before the Court—is dismissed as a mere bagatelle. After all, Chief Justice Burger, not considered by Douglas to be a figure worthy of emulation in other contexts, served as a trustee of the Mayo Foundation prior to his elevation to the Court.

Anecdotes which Douglas apparently believed to be self-revelatory are characterized by absurd posturing and obvious insincerity. Finding solace in the wilds from the malicious disloyalty of friends who shunned him for unpopular (but courageous) opinions, Douglas spent his time in the forest "looking for persimmon trees and their sweet fruit or conversing with an old barnyard owl on a crisp morning." He "communicated" with a beloved friend not through such commonplace media as letters or conversation, but through the "wondrous" coyote and bald eagle.

Douglas proves in this book that he was wholly unsuited by temperament for service on the judiciary; an intolerant zealot who, if not granted a lifetime sinecure on the Court, would almost certainly have found obscurity as a cranky law professor, perhaps contributing occasional letters to the *New York Review of Books* denouncing policies of the latest President or some benighted Latin dictator. Unfortunately, his appointment to the Supreme Court permitted him a wider forum in

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which to exercise his prejudices and to display unattractive personal characteristics in print and in practice.

W. Scott Burke

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Short Shrift

Henri Lepage
Demain Le Libéralisme. (Collection *Pluriel*, Le Livre de Poche) 1980.

Henri Lepage, like Volkswagen, has done it again. After the success of his first book *Demain le capitalisme*—which has sold an incredible 25,000 copies in France and has been translated into six languages, including English—he has published this second account of his intellectual trip in the wonderful world of contemporary economics. M. Lepage is obviously, and understandably, fascinated by what Gordon Tullock calls "economic imperialism," the application of economic tools to the analysis of problems that traditionally were not considered to belong to the domain of economics. Thus, for example, he cites the economics of marriage, fertility, domestic production, regulation, altruism, crime, law, social institutions, and the political market as evidence of the versatility of the most advanced of the social sciences. The distinguishing trait of this remarkably pleasant book is its capacity not only to allow the layman to be informed of the astonishing new developments of the economic science, but also to see the coherent ideological message that unifies a wide variety of often highly technical studies. This makes the book quite unique because, unlike many of the authors quoted, M. Lepage does not feel that making the ideological meaning of a piece of research evident necessarily diminishes its scientific value. On the contrary, in a typically French or Continental European way, he reminds us that that is what really matters for most of us. The result is that the contributions of a wide variety of economists of different schools are placed together within the framework of a larger ideological picture, which can only be entitled the Economics of Liberty. This explains M. Lepage's evident admiration for F. A. Hayek, the economist who more than anybody else has seen the ultimate meaning of the "dismal science" in its politico-philosophical message rather than in its versatile predictive apparatus.

The book is unlikely to thrill the professional economist, who is likely to be familiar with its content and suspicious of the way highly complex problems are simplified for the benefit of the reader. Also, many economists would probably disagree with more than one too-quick conclusion. They would have no right, however, to scoff at M. Lepage's book or dismiss it as amateurish. Had their own works been written in accessible prose, had their intellectual product been more sensitive to the needs of the common reader, economics would not be as misunderstood as it is today, and the number of affluent and notorious economic charlatans would be much smaller. The harm economists have done to the profession and to society as a whole by addressing themselves to their fellow economists rather than to the public at large, and by coating their arguments in a cryptic language, cannot be overstated. It is to be hoped that it can be mitigated by works such as this.

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It must finally be stressed that M. Lepage's books are all the more meritorious because of the prevailing intellectual climate against which they have to battle. For one thing, even though, as M. Lepage stresses, many of the contemporary discoveries have their roots in the work of European economists of the past—one need only mention Vilfredo Pareto—it is still true that most of the new studies are the product of American economists. This understandably irritates French national pride. More important still is the fact that the intellectual revolution of the "new" economics points unequivocally in the direction of restricting and limiting the scope of government, and this runs counter to the conventional wisdom of almost all political parties in France and in most other European countries. It is the hope that it will contribute to change this conformistic adherence to statism that makes us recommend it as required reading for anybody who can read French.

—Antonio Martino

Edward E. Ericson, Jr.

Solzhenitsyn: The Moral Vision. (Eerdmans, Grand Rapids, Mich.) 1980. Foreword by Malcolm Muggeridge.

The purpose or end of humane letters is ethical: a point forgotten by most writers and reviewers nowadays. Professor Ericson makes it clear in this well-written book that Solzhenitsyn's great concern is the moral state, rather than the political state.

In short, Aleksandr Solzhenitsyn primarily is a man of moral imagination. His closest counterpart among recent English men of letters is T. S. Eliot—a comparison not made by Dr. Ericson, however, nor as yet adequately examined by anyone else, so far as this reviewer knows. Like Eliot, Solzhenitsyn sets his face against both the dread tyranny of Communism and the "Western" infatuation with sensual satisfactions and trifling material possessions.

Solzhenitsyn's moral vision is what Eliot called the "high dream" —the vision of Dante, the Christian extrasensory perception of true reality. Even more literally than Dante, Solzhenitsyn passed through the Inferno, and was purged of dross. As the exiled mathematician Igor Shafarevich (who collaborated with Solzhenitsyn in *Under the Rubble*) reminds us, "One of religion's most ancient ideas is that in order to acquire supernatural powers, one must visit another world, one must pass through death." Something very like that passage occurred to Solzhenitsyn in the Gulag Archipelago, so that he perceives the true visions which issue from the gates of horn, and communicates them to us unforgettably.

Dr. Ericson's succinct book is an admirable guide to Solzhenitsyn's thought and literary achievement, pointing out meanings that latter-day liberals cannot detect, and defending Solzhenitsyn ably against disingenuous charges. Incidentally, Dr. Ericson's earlier book *Radi-*

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cals in the University (Hoover Institution), still available, remains a useful examination of the kind of mentality that attacks a champion of decency and freedom like Solzhenitsyn.

—Russell Kirk

W. H. Hutt

The Keynesian Episode (Liberty Press, Indianapolis, Ind.) 1979.

Not Karl Marx so much as John Maynard Keynes is the Antichrist of conservative economists. You get this impression from Professor W. H. Hutt, presently emeritus at the University of Dallas, and for a half-century in hot dispute with the Keynesian dogma, which has promoted deficit spending and public debt in Britain and America. In this book its author is flogging the late promoter (1883–1946) of British socialism and the New Deal, and is coincidentally giving encouragement to the Reagan administration.

In presenting Keynes as an "episode," Professor Hutt is saying that the scintillating writer of *Economic Consequences of the Peace* (of Versailles) and *The General Theory of Employment, Interest and Money* (for large-scale government investment and planning) is a discredited has-been—but still a lively one. Teachers and expositors of the "dismal science" would rather not take positions against him. There was, as late as the 1960s, a supposed "blacklist" for dissenters. More recently, there is evidence of a "retreat" from formerly chic beliefs that inflation is a sure cure for unemployment and other social ills. Although "everybody" in the English-speaking universities is a Keynesian, right and left wings have developed. The right-wingers, the classicists, are winning out.

Conceding "genius" to the master stylist of Cambridge University and the Bloomsbury Set, Professor Hutt insists that Keynes attained his eminence by skillful use of language which "hinders the perception" while winning the disciple. Keynes double-talked his way to the top by telling politicians (who told the people) what they want to hear—that there is a painless cure for economic ills, rather like persuading the alcoholic to have one more drink. Thus Western nations were cozened into "acquiescing in inflation whenever unemployment or recession is threatening, and the intention to inflate the currency can be hidden...or of acquiescing in authoritarian income policies...."

Professor Hutt believes that pricing (if it tells the truth about values) rather than demand is at the center of the economic problem. A government's responsibility should be for restraint, not for stimulation-through-spending, and should work at removing "obstacles"—strikes, boycotts, intimidation—to the attainment of productive prosperity.

Toward the end of his life, Lord Keynes gave signs of becoming a convert to anti-Keynesism or pre-Keynesism, but Professor Hutt never forgave him for theorems that prolonged our depressions and "discouraged thought about fundamental reforms."

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The reasoning on this book is hard, the reading is not easy, but the reader will understand why the original title was "The Curse of Keynes."

—Holmes Alexander

Michael Wharton (editor)
The Stretchford Chronicles: 25 Years of Peter Simple (The Daily Telegraph, London) 1980. Illustrated by ffolkes.

> What did Wolfgang Amadeus Mozart do in the struggle for social justice in feudal, class-ridden 18th century Austria, even then ripe for take-over by the Nazis? What did he do to protest against the racialist horrors of the slave trade? What did he do to fight against the evils of organised religion? I'll tell you. Nothing! He just spent his time writing music and sucking up to the crowned heads of Europe.

Thus the brilliant TV producer, Ron Fussell, was recorded by Peter Simple. For twenty-five years, Simple has, from the English village of Stretchford, chronicled the downfall of the fitness of things in his four-times weekly column in *The Daily Telegraph* (London). In a panorama of cultural, social, and political notes, he has caught the contemporary condition, so poignantly expressed by the comment of cultural entrepreneur Jon Glasse-Derkeley on the Nerdley pop poets: "the rich, warm, pavement-mirrored, sporadic neo-existential consciousness of an urban ambience, rootless yet rooted—all this is basic to their demotic assertion of new values."

In these chronicles we learn of Doreen Bronte, the least known of the famous sisters, who is into ballistics and light engineering; Bert Brecht Mao Che Odinga, the progressive child, whose mother gives him a set of model African terrorists on the "Winter Festival of Labour" (The "Dialectical Tree" was hung with chocolate grenades); the Spirochetes, the sensational new American pop group; and so forth. After some reading, the twentieth century and the movie "Wittgenstein and the Quangos from Outer Space" seem to deserve each other.

Simple is waging his own war against a new psychiatric world order, the chief tenet of which seems to be that the knowledge of the twentieth century has repealed several thousand years of accumulated foolishness. After some further reading, the ducks seem to fall in a row:

Rule One: Why beauty, faith, and love, when equality is available? Hence the Mozart scandal. Simple reports on the picketing of churches in York. "Why? A rich church. A poor world," a placard reads. But Simple is bold enough to suggest: "Far from being an affront to the poor," the York Minster "is an affront to the rich, to the powerful, to the secular rulers of this world who, believing that no other world exists, must measure everything in terms of this world's use, whether in peace or war."

Rule Two: Why parochialism when internationalism has saved us from that error? A progressive pygmy writes: "We pygmies...are

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determined to play our full part in building a new world where the most advanced weapons as well as the other gifts of technology will be the birthright of all." According to a new theory from a leading London clinic, Enoch Powell should "be given an electric shock every time the image of a white person was projected on a screen, and offered chocolates or finely bound volumes of Herodotus whenever the images of coloured immigrants appeared."

Rule three: Why humanity, when a broader vision of the world experience has arrived? "Moving the second reading of the Unwanted People Bill, Mr. J. Computer-Smith . . . said it was an urgent social measure to fill the gaps in the Abortion Act . . . . Under the new Act, these at present under privileged people would be able to take the child to a National Health hospital where it could be de-activated under proper medical supervision." Then Clare Howitzer, the famous advice columnist, responds in Simple's column to the question: "I read in the paper where it says a women had exchanged her two-year-old daughter for a secondhand record-player worth £3 . . . As we have a son aged 32 and are thinking of exchanging him for a spin-drier could you please advise?" Miss Howitzer responds: ". . . If you are exchanging your son, it is advisable to watch the market carefully."

In his war against the forces of "rent-a-crowd," Simple at times might seem humorous. But, who else apart from a serious original thinker would have proposed "a new caste of noblemen-psychiatrists." As "the number of psychiatric patients increases among all classes, more and more are finding that they can only discuss their troubles freely with a psychiatrist who, if he is not actually of noble birth, at least pretends to be so." Hence one at arrives at the door of "His Grace Dr. the Duke of Cumberland, K. G., M.D. D.P.M." who "inspires confidence and is almost a cure in itself."

But then one is tempted to take action as in Pop Notes, a guest column by Jim Droolberg. "The Filthy Swine," with their folk hit "My Girl's Head comes to a Point," again head the Top Twenty this week. Alas, "The Drips, whose 'Softening of the Brain' kept fifth place for three weeks running, suddenly collapsed and fell out of the charts altogether. Their manager has had them destroyed."

—R.B.

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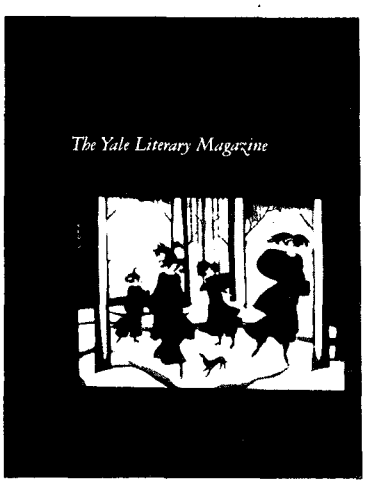

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ERRATUM

In *Policy Review* #16 (Spring 1981), Donald Lambro's institutional affiliation was listed incorrectly. Mr. Lambro writes for the United Features Syndicate. He is also Distinguished Journalism Fellow with The Heritage Foundation.

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